CITY OF SAINT JOHN

NEW BRUNSWICK

FINANCIAL STATEMENTS

DECEMBER 31, 1990

1990

CITY OF SAINT JOHN

ELECTED OFFICIALS

Her Worship, Elsie E. Wayne, Mayor

Arthur Gould, Deputy Mayor

Joseph Coughlan, Councillor

Samuel Davis, Councillor

Hugh Fitzpatrick, Councillor

Edis A. Flewwelling, Councillor

Dennis R. Knibb, Councillor

Patricia Landers, Councillor

Kathy Rogers, Councillor

Albert A. Vincent, Councillor

M. A. Vincent, Councillor

CITY OF SAINT JOHN

SENIOR OFFICIALS

AS OF DECEMBER 31, 1990

City Manager	G. Taylor, B. of Comm., M.B.A.
Assistant City Manager, Operations	C. Robichaud, B.Sc., Civil Eng.
Assistant City Manager, Development	J. Brown, B.S.Sc., M.C.I.P.
Common Clerk	M. Munford
City Solicitor	F. Rodgers, B.B.A., N.B.C.L.
Commissioner of Finance	D. Wilson, B. of Comm., C.A.
Commissioner of Human Resources	P. Groody, P. Eng., M.I.R.
Police Chief	D. Sherwood
Fire Chief	R. McDevitt

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(j) Saint John Industrial Parks Ltd.

(k) The City of Saint John Pension Fund

1990

OPERATING HIGHLIGHTS OF

THE GENERAL FUND &

THE WATER & SEWERAGE UTILITY

GENERAL FUND

As a result of 1990 operations, the General Fund has been able to continue financing projects that would have otherwise been financed by way of the issuance of 10 year bonds. Council will recall that the 1990 budget contemplated financing $1,366,648 of capital work from current operations. The actual results of operations for the year have not only allowed this budget to be met, but increased by $800,352, while still allowing a reported surplus of $671,045. This financing of $2,167,000 of capital work, brings the total to $8,543,512 for the years 1986 to 1990. It is because of this that the City was able to proceed with the major capital budget recently approved by Council. This is perhaps the single most significant event stemming from the operations of the General Fund in 1990. Within the Fund's revenue and expenditures there are many factors which have contributed to its ability to finance a greater portion of the capital program, the more significant of which we wish to highlight in this report.

Revenue

In total, the General Fund received $82,779,401 in revenue, which was $102,517 more than anticipated when the budget was set. While this represents a rather small variance from budget, a few items are worthy of note. Revenue reported under the caption "Sale of Goods and Services" was $294,653 greater than budget. Of this amount, $186,000 was attributable to both increased rates at the City's landfill site as well as unanticipated revenue from another municipality utilizing this facility. Council has been advised that rates will continue to rise until such time as revenue received is sufficient to not only cover the costs of the increased demands being placed on our current landfill operations, but also the new methods and alternatives that are now under consideration. The remaining excess in revenue from sale of goods and services results from the City receiving $42,516 more than budget from the sale of its used vehicles, as well as $44,827 from the sale of mechanical and carpentry services to the Water & Sewerage Utility.

Other Revenue From Our Own Sources was under budget by $215,629. The last time this occurred was in 1982 and is indicative of the state of our economy. Revenue from licenses and building permits was $32,007 less than budget; Parking meter revenue was $14,956 under budget and the anticipated revenue to be received by the Market Square Parking Garage fell short of the budget by $136,347. These revenue sources are those that normally exceed budget when the economy is in an upward swing and conversely, do not meet expectations when the economy is sagging. It is hoped that as the economy recovers and the projects now on the drawing

board for our downtown begin to materialize, these revenue sources will again increase.

Expenditures

Total expenditures amounted to $82,108,356 or $568,528 less than budget. Stated differently, General Fund expenditures were .68% less than what was contained in the 1990 budget and 5.2% more than those incurred in the previous fiscal year. Within this $82 million, a number of items exceeded the amount that was included in the budget, while other items for which funds were budgeted were underspent. While it is not intended to identify each and every variance in this report, Council should be aware of those significant events which have contributed to the underexpenditures, as well as other variations from budget which are worthy of note.

Expenditures for General Government Services amounted to $4,897,938 which was $240,575 less than budget, and only $48,593 or 1% more than the amount expended in 1989. Significant underexpenditures can be found in the City Manager's Office, Public Relations Department, Accounting, Cash & Collections and the City Solicitor's Departments. More significant is that our costs for occupying City Hall were $200,000 less than budget, arising from the settlement with our landlord, Revenue Properties Ltd. that followed approval of the 1990 budget.

Offsetting these underexpenditures were some necessary cost overruns in some departments as well as some items which exceeded budget based on experience. The advent of the Goods and Services Tax required that the Finance Department react to ensure that the City was not only able to meet its reporting requirements to the Federal Government, but also that it had on staff an individual whose primary purpose during the first year would be to serve as a resource for all of the various City departments, commissions, boards and agencies with respect to implementing the GST. In this regard, Common Council approved an overexpenditure of $25,000 to insure systems were modified as well as adding the position of Financial Analyst to the City's establishment.

Also, within the General Government category, the City's insurance costs exceeded budget by $47,290. This increase was a result of increased premiums as well as an increase in the number of claims that were beneath the deductible limit on our policy.

Costs incurred by the City to ensure that its citizens were provided with adequate police and fire services were underspent by $253,847. The entire amount expended on providing these services amounted to $28,771,185 or 34.7% of the General Fund's total expenditures. Council should be aware that within the Police Department, overtime costs continue to be a major

concern. While costs of running the Police Department amounted to $13,307,032 or $179,568 less than budget, overtime costs were $234,000 more than budget. As Council is aware, Police management has indicated that the existing "Ten Plan" shift arrangement is the principle reason for this overage. Offsetting this overage was an underexpenditure resulting from other salary costs being less than the amount budgeted as well as a $97,000 underexpenditure flowing from the fact that little progress was made on the Civilization Program.

The Fire Department underspent its operating budget to the extent of $162,107. Improved utilization of holiday relief firefighters and improved scheduling of forces on statutory holidays were the primary contributing factor. The balance is attributable to the actual cost of fringe benefits being less than the amount budgeted.

The City's costs in providing Transportation Services amounted to $20,434,038 or $494,079 more than budget. This overexpenditure occurred within the Mechanical and Carpentry classification as opposed to Street Maintenance, Parking or Engineering Services. Total costs in mechanical and carpentry amounted to $6,279,640, or $329,140 more than budget. Of this amount $130,000 was for the purchase of a new loader which had received Council approval in late 1990. The balance of $199,140 was overexpended primarily in the repair parts, tires and contracted repairs budget.

In the last few years the City has made a deliberate attempt to improve the age and condition of its motorized fleet. The increased funding provided for the acquisition of new equipment has indeed placed the fleet in much better overall condition. Nevertheless, inflationary pressures have tended to push up the costs of repair parts and fuel at rates faster than what has been anticipated. Approved budgets for such items have been less than what was required in both of the last two years.

Environmental Development Services expenditures were underexpended by $482,287. Of this amount, $157,030 resulted from our costs for common area at Market Square being less than anticipated. Council will recall that as part of the negotiations dealing with the recent sale of the facility, the City received $230,000 in settlement for common area costs which had been in dispute since the facility was opened.

In addition, a number of departments in this area underexpended their approved budget in 1990. The Department of Environment and Infrastructure was underexpended by $44,000 as a result of a staff vacancy and deferment of expenditures for consultants. Property Management underexpended its heating oil, insurance and equipment rental budgets by $34,600. Delays in filling a position and less than anticipated costs for

travel, receptions and consultants resulted in a combined underexpenditure of $58,738 in Port Promotion and Economic Development. The City's Tourism Department was underexpended by $177,000. The primary reason for this was that an amount of $80,000 was budgeted as the City's commitment to the Tourism Development Strategy. The expenditure of these funds was contingent on receiving funds from the other levels of government which unfortunately did not materialize. Underexpenditures in travel, advertising and personnel made up the balance of the total departmental underexpenditure.

Expenditures classified as Recreational and Cultural Services amounted to $7,853,746 in 1990, only $28,479 less than the amount budgeted. While there are many fluctuations in various programs which we would expect as the requirements change to ensure efficient delivery of services, two overexpenditures are being brought to Council's attention. First, the Major Tournaments Committee overexpended by $10,356 but had sought and received Council's approval to do so. Secondly, the Grants budget was overexpended by over $14,000, as a result of an additional contribution of $25,000 given to Festival-By-The-Sea in 1990.

Fiscal Services were less than budget by $42,906 but only after the decision was made to write off a further $800,000 of capital jobs against current operations. The budget for short term interest charges continues to be the area where much of the City's underexpenditures occur. While the budget for short term interest charges is established based on both operating and capital expenditures occurring as in the departmental plans, many are often deferred or postponed. As a result, the City's borrowings on a short term basis are less than anticipated. Also contributing to the significant underexpenditure in short term interest costs has been the continual drop in the bank's prime lending rate during 1990.

With respect to the City's long term borrowings, the City's current amount owing is $33,199,307. This compares to an amount of $41,832,525 as at December 31, 1985. This reduction of over $8.6 million, during a period of ever increasing capital programs, has been accomplished as a result of the City's policy of funding more and more of its capital program directly from operations.

Finally, it should be noted that the City's costs of servicing both its short and long term debt represents 11.7% of the City's total expenditures in 1990 compared to 15.7% in 1985. While it is not anticipated that this trend will continue because of the large capital programs being considered for the next few years, it does demonstrate increased flexibility within our expenditure base that simply was not there five years ago.

Conclusion

Clearly, 1990 can be described as a financial success. While underexpenditures occurred in a number of areas, they were not in those areas where the public would notice a reduction in services. To underexpend approved budgets, while at the same time not delivering approved work programs could in no way be described as a success. However, lower interest rates, and conclusions to long protracted negotiations with respect to City Hall and Market Square, all items transparent to our citizens, are largely responsible for the results attained in 1990.

WATER & SEWERAGE UTILITY

At the very outset, it should be noted that the actual operations of the Utility were not too much different than what was anticipated when the 1990 budget was established. However, in addition to those items that were anticipated, two unusual items surfaced in 1990 which has put the Utility in a deteriorated financial position. Indeed, the magnitude of those items has resulted in the Utility having an accumulated deficit far in excess of the previous high of $633,000 which had existed in 1983.

The first unusual event occurred with respect to the billings that had been forwarded to the New Brunswick Power Commission for water consumed at the Coleson Cove Generating Plant. Since the initial installation of meters during construction, N. B. Power had been overbilled. In order to rectify the situation extensive negotiations were held resulting in the Utility having to record an Unusual Item of $1,108,456 with respect to the overbilling for the years 1989 and prior.

The second unusual event stemmed from the fact that the Water & Sewerage Utility had been underbilled by the Power Commission of the City of Saint John for power consumed at the Lancaster Wastewater Treatment Plant since 1977. The amount of the underbilling was calculated to be $176,807 and this amount was required to be charged to the 1990 operating results of the Utility.

The financial consequences of both of these events were the major highlights of the operations of the Utility in 1990. Although revenue and expenditures fluctuated, the combined effect of $1,285,263 resulting from these two events pose the greatest challenge to the Utility in the next few years. The surplus of $242,352 which existed at the beginning of the year has had to be charged with these two unusual items along with a current year operating deficiency of $17,756. The end result is that the Utility now has a total accumulated deficit of $1,060,667.

Turning to the actual 1990 operations, excluding the unusual items, total revenue amounted to $15,437,844 or $125,437 more than budget. Revenue earned as a result of charges to the Utility's customers amounted to slightly more than $10 million and just $67,207 less than the amount budgeted. While the shortfall is not so significant when one compares it to the total revenue base, one item is worthy of mention. Revenue earned from metered customers who pay by-law rates was less than the amount budgeted. Metered customers are, for the most part, industrial or commercial enterprises and it is believed that the slight shortfall in revenue from this source is a result of a slowdown in the economy in 1990.

Revenue received as a result of charges to the City's General Fund for Fire Protection and Storm Sewer Charges exceeded budget by $192,644. Authority for these charges is found in the Municipalities Act and represent a recovery of certain costs incurred by the Utility. As costs within the Utility exceed budget, as was the case in 1990, a portion of the excess is recovered from the General Fund.

On the expenditure side, actual expenditures exceed the amount budgeted by $322,751. Analysis of this overexpenditure reveals that the budgeting for certain expenditures within the Utility did not adequately reflect the costs to be incurred as a result of the ambitious road resurfacing program undertaken by the Works Department in 1990. The procedure is that as streets are resurfaced, all manhole cover frames and grade rings are to be replaced. This extensive resurfacing program was the largest contributing factor to an overexpenditure of $94,000 for materials. This past year also saw an increased number of system problems which resulted in an overexpenditure of $98,000 in the amount paid by the Utility to the General Fund for necessary work done by the Works Department to perform street repairs and reinstatement. As well, an overexpenditure of $25,000 for sand and gravel was incurred as a direct result of the many breaks that occurred in January and February of 1990 during an unusually cold spell.

Personnel costs were overspent by $35,700 as a result of increases in workers' compensation rates and a further $27,000 resulting from a decision to have the records of the Utility reflect its liability to employees for retirement pay. This decision has resulted in the Utility having fully recorded its full liability for retirement pay to employees who have twenty three or more years of service. Overtime was overexpended by $68,000 largely due to the many system breaks during the year and an effort made by staff to ensure that much of the work being done in the General Fund could be completed by November 15th.

Finally, the Billing and Collections budget was overspent by $25,583. This was as a direct result of the Council approved engagement of Coopers & Lybrand to assist with the gathering of information necessary for the preparation of negotiations with the Utility's contract customers.

The cost of servicing the debt of the Utility, along with the cost of providing an early payment incentive to customers, amount to $6,078,749, which was $179,558 less than budget. As in the General Fund, the gradual decline in the interest rates was the major contributing factor. Within Fiscal Charges, is also a budgeted amount of $125,000 which was identified as capital projects to be written off against current operations. Given the events that transpired in 1990 and the deficit position in which the Utility now finds itself, it was not possible to continue with this plan in 1990.

The financial picture for the Water & Sewerage Utility as presented in these financial statements is not encouraging. A requirement of the Municipalities Act is that the accumulated deficit must be recovered within a three year period. To do so, rates must be significantly increased or expenditures dramatically reduced. Both solutions have inherent problems. The substantial rate increases required will be viewed as simply more taxation by government whereas expenditure reductions will result in service reduction. The challenge for staff and elected officials will be to arrive at a compromise between the two approaches that will insure the continued viability of the Utility.

THE CITY OF SAINT JOHN

GENERAL FUND

1990 FINANCIAL STATEMENTS

THE CITY OF SAINT JOHN
GENERAL FUND

Financial Statements

For the Year Ended December 31, 1990

Coopers
&Lybrand

Coopers &Lybrand

chartered accountants

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a member firm of
Coopers & Lybrand (International)

AUDITORS' REPORT

**To Her Worship The Mayor and Members of
Common Council of the City of Saint John**

We have audited the balance sheets of the Operating Fund and Capital and Loan Fund of The City of Saint John General Fund as at December 31, 1990 and the related statements of revenue and expenses and equity and statement of source and application of capital financing for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the General Fund of the City as at December 31, 1990 and the results of its operations and the changes in its equity for the year then ended in accordance with accounting principles generally accepted for municipalities.

Coopers & Lybrand

Chartered Accountants
April 29, 1991

Resident Partners
L R Cosman
J D Craig
H R Tidby
R D Urquhart
P Wishler
L G Wilson

The City of Saint John
General Fund
Operating Fund Balance Sheet
As at December 31, 1990

	1990 $	1989 $
ASSETS		
Cash and short-term deposits	75,748	149,840
Accounts receivable	899,567	1,896,545
Due from associated entities		
Water and Sewerage Utility - Operating Fund	-	704,708
- Capital and Loan Fund	5,045,053	1,501,085
Saint John Non-Profit Housing Incorporated	445,339	3,414
Saint John Transit Commission	4,611	85,419
The Power Commission of the City of Saint John	-	349,506
Pension Fund of the City of Saint John	-	345,894
Due from Sinking, Reserve and Trust Funds	40	101,724
Due from Capital and Loan Fund	9,278,283	7,691,083
Inventory of materials and supplies, at the lower of cost and replacement cost (note 2)	890,189	392,247
Prepaid expenses	487,503	2,000
	17,126,333	13,223,465
LIABILITIES		
Bank indebtedness	2,038,000	-
Cheques in circulation	825,338	347,257
Accounts payable and accrued charges	5,251,301	6,057,509
Accrued retirement allowance and vacation pay	4,248,975	3,545,352
Debentures matured and payable	166,800	40,800
Interest payable on long-term debt	618,769	738,201
Due to Sinking, Reserve and Trust Funds	19,920	-
Due to associated entities		
Water and Sewerage Utility - Operating Fund	1,032,469	-
Pension Fund of The City of Saint John	184,018	-
Saint John Parking Commission	1,476,346	1,374,297
Saint John Aquatic Centre	32,275	79,648
Deferred revenue	-	20,242
Total liabilities	15,894,211	12,203,306
EQUITY	1,232,122	1,020,159
	17,126,333	13,223,465

SIGNED ON BEHALF OF THE COUNCIL

Mayor

Chairman
Finance Committee

The City of Saint John
General Fund
Statement of Equity
For the Year Ended December 31, 1990

	1990 $	1989 $
EQUITY - BEGINNING OF YEAR	1,020,159	680,937
Add: Excess of revenue over expenses for the year	671,045	561,077
	1,691,204	1,242,014
Deduct: Excess of revenue over expenses - second previous year (note 1)	459,082	221,855
EQUITY - END OF YEAR	1,232,122	1,020,159

The City of Saint John
General Fund
Statement of Revenue and Expenses
For the Year Ended December 31, 1990

	Page Reference	1990 Budget $	1990 Actual $	1989 Actual $
Revenue				
Property and business taxes		47,229,015	47,229,015	42,798,493
Unconditional grant - Province of New Brunswick		29,024,917	29,024,917	29,131,727
Sale of goods and services	11	1,955,800	2,250,453	1,869,504
Other revenue from own sources	11	3,178,160	2,962,531	2,970,546
Conditional grants from other governments	11	760,675	764,002	783,698
Miscellaneous revenue		69,235	89,401	76,557
Excess of revenue over expenses - second previous year (note 1)	7	459,082	459,082	221,855
TOTAL REVENUE FOR THE YEAR		82,676,884	82,779,401	77,852,380
Expenses				
General government services	12	5,138,513	4,897,938	4,849,345
Protective services	12	29,025,032	28,771,185	26,976,664
Transportation services	13	19,939,959	20,434,038	18,685,495
Environmental health services		1,784,700	1,770,490	1,695,716
Environmental development services	13	7,837,601	7,355,314	6,674,368
Recreational and cultural services	14	7,882,525	7,853,746	7,673,163
Fiscal services	14	11,068,554	11,025,645	11,460,865
Cost shared programs		-	-	47,467
Expenses before recovery of lease expenses		82,676,884	82,108,356	78,063,083
Recovery of lease expenses		-	-	(771,780)
TOTAL EXPENSES FOR THE YEAR		82,676,884	82,108,356	77,291,303
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR		-	671,045	561,077

The City of Saint John
General Fund
Capital and Loan Fund Balance Sheet
As at December 31, 1990

	1990 $	1989 $
ASSETS		
Due from associated entities		
Saint John Transit Commission	674,569	525,528
Saint John Non Profit Housing Incorporated	341,578	430,836
	1,016,147	956,364
Mortgage receivable	85,500	72,000
Due from Sinking, Reserve and Trust Funds	508,600	615,200
	1,610,247	1,643,564
Investments in shares of wholly owned company, Saint John Industrial Parks Ltd., at cost	994	994
Fixed assets (notes 1 and 3)		
Land, buildings, plant and equipment and engineering structures	170,669,024	158,634,264
	172,280,265	160,278,822
LIABILITIES AND EQUITY		
Debenture Debt (note 3)	29,572,699	30,546,382
Other long-term debt (note 3)		
Canada Mortgage and Housing Corporation	1,276,697	1,406,238
Department of Regional Industrial Expansion	2,329,781	2,483,605
The Government of Canada	17,603	25,605
Municipal Development and Loan Board	2,527	2,627
	33,199,307	34,464,457
Obligation under capital lease (note 4)	618,285	-
Due to Operating Fund	9,278,283	7,691,083
Total liabilities	43,095,875	42,155,540
EQUITY	129,184,390	118,123,282
	172,280,265	160,278,822

The City of Saint John
General Fund
Capital and Loan Fund Statement of Equity
For the Year Ended December 31, 1990

	1990 $	1989 $
EQUITY - BEGINNING OF YEAR	118,123,282	106,495,758
Debt repaid during the year by the Operating Fund		
Debenture debt	5,479,483	4,987,883
Canada Mortgage and Housing Corporation	129,541	127,934
Department of Regional Industrial Expansion	153,824	141,261
The Government of Canada	8,002	7,514
Municipal Development and Loan Board	100	96
	5,770,950	5,264,688
Principal payments on capital leases	74,653	-
Capital projects financed by the Operating Fund	2,024,863	3,000,000
Contributions in aid of construction		
Provincial government	730,000	1,050,000
Federal government	310,893	717,139
	1,040,893	1,767,139
Transfer from the Sinking Fund	19,745	-
Proceeds on land sales in excess of estimated cost	147,130	56,423
Fixed assets purchased by the Operating Fund	1,982,874	1,539,274
EQUITY - END OF YEAR	129,184,390	118,123,282

The City of Saint John
General Fund
Statement of Source and Application of Capital Financing
For the Year Ended December 31, 1990

	1990 $	1989 $
Source		
Bond issue	4,550,000	5,200,000
Capital lease agreement	692,938	-
Contributions - Federal Government	310,893	717,139
- Province of New Brunswick	730,000	1,050,000
Reduction in amounts receivable	33,317	25,793
Increase in amount due to the Operating Fund	1,587,200	22,803
Fixed assets purchased by the Operating Fund	1,982,874	1,539,274
Capital projects financed by the Operating Fund	2,024,863	3,000,000
Proceeds from land sales	294,260	56,423
Transfer from the Sinking Fund	19,745	-
	12,226,090	11,611,432
Application		
Capital expenditures	12,181,890	11,570,232
Maturity of Sinking Fund Bonds	44,200	41,200
	12,226,090	11,611,432

The City of Saint John
General Fund
Notes to Financial Statements
For the Year Ended December 31, 1990

1. Significant Accounting Policies

a. Financial Statement Presentation

The General Fund financial statements of The City of Saint John have been prepared in accordance with the fund basis of accounting. The Operating Fund reflects the City's working capital and results of operations and the Capital and Loan Fund reflects its investment in fixed assets and outstanding long-term debt.

b. Fixed Assets and Depreciation

Fixed assets are initially recorded at cost. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to equity in capital assets, except where the asset was acquired under the Urban Renewal Program. In these cases the funds received are netted against the asset cost.

The City does not record depreciation but an amount equal to annual debt repayment is charged to operations and credited to equity in capital assets. The City also charges to operations all capital projects that are financed in the current year from operating funds.

c. Accrual Accounting

The City follows the accrual method of accounting for revenue and expenses.

d. Retirement Pay Liability

All employees upon retirement from the City of Saint John are entitled to a retirement pay bonus equal to one months pay, to a maximum of six months, for every five years of service. The City has made provision for employees currently with 23 years or more of service (1989 - 24 years).

e. Accounting for Second Previous Year's Operating Results

Section 89 of the Municipalities Act of New Brunswick requires that the excess of revenue over expense for a fiscal year be included in revenue in the second ensuing year and that similarly, the excess of expense over revenue for a fiscal year be included in expense in the second ensuing year.

2. Inventory

Beginning in 1990, all the inventory of the City of Saint John Water and Sewerage Utility and the General Fund has been recorded in the Operating Fund balance sheet of the General Fund.

3. Debenture and Other Long-term Debt

Debenture and other long-term debt consists of the following:

Year of issue	Interest rate %	Term Years	Balance $
1966	5.38	40	2,527
1971	9.50	20	75,000
1972	6.51	20	17,603
1972	8.25	20	45,000
1973	8.75	20	67,500
1974	7.22	20	19,889
1976	6.88	15	15,786
1976	10.50	20	518,100
1977	6.88	15	25,373
1977	9.50	20	322,000
1978	6.88	15	62,299
1978	9.50	25	73,290
1978	10.00	25	306,264
1978	10.25	15	402,000
1979	6.88	15	28,203
1979	10.00	25	30,935
1979	11.75	15	947,200
1980	6.88	15	17,435
1980	7.81	20	76,830
1980	7.86	20	209,180
1980	7.98	20	410,659
1980	8.39	20	85,060
1980	8.75	20	91,378
1980	9.50	25	393,279
1980	10.00	25	162,482
1980	13.50	15	700,000
1981	9.67	20	1,436,786
1982	9.50	25	53,349
1982	17.50	10	885,000
1982	17.75	10	500,000
1983	10.00	15	108,000
1983	11.50	10	1,920,300
1983	11.50 to 12.00	10	2,250,000
1984	12.75	10	2,119,000
1984	13.50 to 13.75	10	1,600,000
1985	11.25 to 11.50	10	2,500,000
1986	9.75 to 10.00	10	21,600
1987	10.00 to 10.50	10	2,030,000
1988	10.25 to 10.50	10	3,440,000
1989	10.25 to 10.50	10	4,680,000
1990	11.50 to 11.75	10	4,550,000
			33,199,307

3. Debenture and Other Long-term Debt (continued)

The aggregate amount of principal payments required in each of the next five years is as follows:

	$
1991	6,162,086
1992	6,098,151
1993	5,388,332
1994	4,174,873
1995	2,768,331

Fixed assets include $8,226,042 (1989 - $6,661,725) for which financing has not been arranged at the year end.

4. Obligation Under Capital Lease

Principal repayments on the capital lease in each of the next five years are as follows:

	$
1991	92,532
1992	105,714
1993	120,771
1994	137,967
1995	161,301

5. Pension Plan

Pension benefits are provided to employees of The City of Saint John under the Saint John City Pension Act, 1970. Employees contribute to the plan, which provides for service pensions based on length of service and rate of pay. The City's contribution limits are fixed by legislation at approximately seven percent of employee earnings. In addition, the City contributes $135,000 per year, to the year 1997 and $86,000 thereafter, in recognition of past service benefits. The City charges to expense its contributions, including the $135,000 on an annual basis.

6. Commitments

a. Saint John Transit Commission

During 1979, Saint John Transit Commission was created by an Act of the Legislative Assembly of New Brunswick. Under provisions of the Act the Commission has the authority to maintain and operate a public transit system within The City of Saint John, with all operating losses and debt charges being funded by the City. The City of Saint John is also liable for the debentures issued on behalf of the Commission which at December 31, 1990 amounted to $2,118,500 (1989 -$1,909,500).

6. Commitments (continued)

In 1979, The City of Saint John financed the acquisition of fifteen transit coaches under a capital lease agreement. Under the terms of the agreement, semi-annual lease payments of $70,103 plus provincial sales tax commenced in September of 1979 and will expire on April 1, 1995, unless certain purchase options have been exercised.

b. Saint John Aquatic Centre

During 1984, Saint John Aquatic Centre Commission was created by an Act of the Legislative Assembly of New Brunswick. Under provisions of the Act the Commission has the authority to maintain and operate the Canada Games Aquatic Centre with all operating losses being funded by the City.

c. Lease Commitments

The City of Saint John's lease on the City Hall building has annual payments of $600,000 until 1995. In addition, the City is responsible for property taxes and operational costs above fixed base amounts.

d. Market Square Central Building Complex - Lease Agreements

The Central Building Complex of the Market Square Project was opened to the public in May 1983. This complex includes the library, trade and convention centre, parking garage and retail and commercial space. Under the terms of three, sixty-six year leases, The City of Saint John is responsible for the proportionate share of the complex's common area operating expenses, including property taxes, related to the library, trade and convention centre and parking garage.

7. Saint John Trade and Convention Centre

The Saint John Trade and Convention Centre is owned by The City of Saint John and operated by Hilton Canada Inc. under a management agreement dated June 1, 1984. According to the terms of this agreement the City is responsible for the operating loss of the Centre.

8. Contingencies

The City of Saint John is liable for the debentures and other long-term debt issued on behalf of its self-supporting entities; The Water and Sewerage Utility, The Power Commission of The City of Saint John and The Saint John Parking Commission. The total of such debt outstanding at December 31, 1990 was $33,254,138 (1989 - $34,650,589).

The City of Saint John
General Fund
Schedule of Revenue Items
For the Year Ended December 31, 1990

	Budget 1990 $	Actual 1990 $	Actual 1989 $
Sale of Goods and Services			
Protective services			
Fire department training school	5,000	8,100	4,285
Rescue squad	16,000	15,825	18,225
Point Lepreau	12,000	12,000	12,000
Garbage collection and disposal	472,000	658,183	466,254
Recreational and cultural	1,002,800	995,332	905,899
Mechanical and carpentry	230,000	274,827	242,495
Sale of used vehicles	103,000	145,516	112,075
Ambulance service to other municipalities	25,000	25,776	23,851
Administrative service - Housing Operations	90,000	114,894	84,420
	1,955,800	2,250,453	1,869,504
Other Revenue From Own Sources			
Licenses and permits			
Building	525,000	468,309	519,226
Plumbing	54,500	59,176	38,582
Business and other	29,150	29,158	26,370
	608,650	556,643	584,178
Parking revenue			
Market Square Parking Garage	840,870	704,523	754,183
Parking meters	470,000	455,044	461,436
Parking and traffic violations	568,000	576,953	552,592
Motor vehicle violations	210,000	144,442	216,129
	2,088,870	1,880,962	1,984,340
Rentals			
Market	176,500	184,334	141,777
Land and buildings	304,140	340,592	260,251
	480,640	524,926	402,028
	3,178,160	2,962,531	2,970,546
Conditional Grants From Other Governments			
Federal Government and Agencies			
Residential Rehabilitation Assistance Program	25,000	23,617	43,181
Canada Assistance Plan	6,000	4,800	6,000
Provincial government and agencies			
Transportation services - highways	724,675	726,585	701,445
Economic Development - tourism	5,000	9,000	21,454
Other programs	-	-	11,618
	760,675	764,002	783,698

The City of Saint John
General Fund
Schedule of Expense Items
For the Year Ended December 31, 1990

	Budget 1990 $	Actual 1990 $	Actual 1989 $
General Government Services			
Legislative			
Mayor's office	179,000	171,879	162,521
Council expense	204,000	213,068	179,781
General administrative			
City manager	434,803	416,195	424,892
Common clerk	258,966	249,982	237,807
Human Resources	692,494	705,133	575,716
Public relations	194,680	144,087	115,298
Solicitor	371,343	329,784	335,964
Financial management			
Administration	205,874	256,987	201,285
Accounting	405,305	342,671	370,711
Payroll	141,487	168,814	139,572
Budget control	208,300	222,249	201,344
Billings and collection	174,773	140,772	162,649
Purchasing	242,946	259,895	236,243
Common services			
City Hall building	1,525,900	1,325,928	1,681,877
Data processing services	551,414	562,853	510,712
Other general government services			
Conventions and delegations	10,000	5,606	610
Public liability insurance	188,000	235,290	155,022
Grants to community based organizations	136,428	51,452	42,600
	6,125,713	5,802,645	5,734,604
Deduct administrative costs allocated to the Water and Sewerage Utility	(987,200)	(904,707)	(885,259)
	5,138,513	4,897,938	4,849,345
Protective Services			
Police protection	13,486,600	13,307,032	12,204,000
Fire protection			
Salaries and other operating costs	11,821,750	11,659,643	11,199,500
Water supply	1,909,682	2,024,079	1,856,663
Emergency measures			
Emergency measures organization	5,000	3,967	4,630
Ambulance	215,000	244,610	211,099
Rescue services	595,200	578,660	569,575
Other protection			
Building inspection	811,800	773,194	760,797
Animal Rescue League	180,000	180,000	170,400
	29,025,032	28,771,185	26,976,664

The City of Saint John
General Fund
Schedule of Expense Items
For the Year Ended December 31, 1990

	Budget 1990 $	Actual 1990 $	Actual 1989 $
Transportation Services			
Common services			
Mechanical and carpentry	5,950,500	6,279,640	5,884,716
Less: Charges to other departments	(2,348,000)	(2,327,592)	(2,335,470)
	3,602,500	3,952,048	3,549,246
Administration	398,800	379,094	356,943
Engineering	1,001,500	1,016,908	918,277
Supply and Services	608,000	665,313	592,707
Road transport			
Roads and streets	7,704,800	7,717,506	7,183,165
Street lighting	710,000	722,964	673,975
Traffic services	377,000	381,356	343,872
Parking	373,900	375,001	348,221
Storm sewer	2,628,959	2,707,206	2,491,317
Public transit (note 6)			
Operating subsidy	1,765,000	1,760,389	1,539,580
Interest expense and capital debt retirement	769,500	756,253	688,192
	19,939,959	20,434,038	18,685,495
Environmental Development Services			
Administration	158,321	170,329	181,212
Research and planning	890,042	876,664	787,025
Environment and infrastructure	94,815	50,924	49,265
Real estate management	826,142	780,565	734,737
Market Square Corporation	195,500	150,424	174,770
Environment committee	4,000	5,141	628
Preservation Review Board	25,000	23,970	29,998
Port promotion	235,600	206,516	184,904
Economic Development	207,656	178,002	110,238
Fundy Regional Development	35,000	35,000	35,000
Saint John Trade and Convention Centre (note 7)	419,700	452,949	394,442
Market Square Common Area (note 6)	3,510,000	3,352,970	2,967,578
Tourism	836,025	658,042	687,862
City market	354,800	364,685	299,824
Public celebrations and receptions	45,000	49,133	36,885
	7,837,601	7,355,314	6,674,368

The City of Saint John
General Fund
Schedule of Expense Items
For the Year Ended December 31, 1990

	Budget 1990 $	Actual 1990 $	Actual 1989 $
Recreational and Cultural Services			
Recreational			
Administration	662,000	714,946	617,327
Community centres and halls	864,100	800,305	759,961
Athletics and aquatics	788,900	823,451	798,023
Golf course and driving range	482,900	487,785	499,624
Skating rinks and arenas	1,289,000	1,093,011	1,042,800
Amusement parks	484,500	553,653	479,197
Parks and playgrounds	2,130,000	2,162,392	2,064,903
Major Tournaments Committee	30,000	40,356	24,281
Cultural			
Administration	53,800	53,305	53,652
Museums	25,020	25,020	33,360
Libraries	250,000	250,063	225,990
Cherry Brook Zoo	105,000	105,000	100,020
Band concerts	19,500	19,023	16,799
Grants	697,805	725,436	957,226
	7,882,525	7,853,746	7,673,163
Fiscal Services			
Interest on long-term debt			
Debenture debt	3,411,540	3,297,171	3,416,456
Other long-term debt	412,616	390,406	430,908
Capital lease	-	82,531	-
Principal instalments			
Debenture debt	5,479,483	5,479,483	4,987,883
Other long-term debt	291,467	291,467	276,805
Capital lease	-	74,653	-
Capital projects financed by the Operating Fund			
- City projects	1,366,648	2,024,863	3,000,000
- Other associated entities	-	142,137	-
Short-term financing costs (revenue)	106,800	(757,066)	(651,187)
	11,068,554	11,025,645	11,460,865

THE CITY OF SAINT JOHN

WATER & SEWERAGE UTILITY

1990 FINANCIAL STATEMENTS

THE CITY OF SAINT JOHN
WATER AND SEWERAGE UTILITY

Financial Statements

For the Year Ended December 31, 1990

Coopers
&Lybrand

Coopers &Lybrand

chartered accountants

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Saint John New Brunswick
Canada E2L 4B9

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Coopers & Lybrand (International)

AUDITORS' REPORT

**To Her Worship the Mayor and Members of
Common Council of the City of Saint John**

We have audited the balance sheets of the Operating Fund and the Capital and Loan Fund of The City of Saint John Water and Sewerage Utility as at December 31, 1990 and the related statements of revenue and expenses and equity and statement of source and application of capital financing for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City of Saint John Water and Sewerage Utility as at December 31, 1990 and the results of its operations and the changes in its equity for the year then ended in accordance with accounting principles generally accepted for municipalities.

Coopers & Lybrand

Chartered Accountants
April 29, 1991

Resident Partners
L R Cosman
J D Craig
H R Tidby
R D Urquhart
P Wishaw
L G Wilmot

The City of Saint John
Water and Sewerage Utility
Operating Fund Balance Sheet as at December 31, 1990

	1990 $	1989 $
ASSETS		
Accounts receivable	1,389,960	1,333,273
Due from Province of New Brunswick	1,636,369	-
Due from General Operating Fund	1,032,469	-
Due from Water and Sewerage Utility Capital and Loan Fund	-	694,778
Inventory of materials and supplies, at the lower of cost and replacement cost (note 2)	-	437,946
	4,052,798	2,465,997
LIABILITIES		
Accounts payable and accrued charges	3,005,754	672,893
Accrued retirement allowance and vacation pay	290,275	261,013
Interest payable on long-term debt	520,110	585,031
Due to General Operating Fund	-	704,708
Due to Water and Sewerage Utility Capital and Loan Fund	1,297,326	-
	5,113,465	2,223,645
EQUITY (DEFICIT)	(1,060,667)	242,352
	4,052,798	2,465,997

SIGNED ON BEHALF OF THE COUNCIL

_____

Mayor

_____

Chairman
Finance Committee

The City of Saint John
Water and Sewerage Utility
Operating Fund Statement of Equity
For the Year Ended December 31, 1990

	1990 $	1989 $
EQUITY - BEGINNING OF YEAR	242,352	86,895
Excess revenue (expenses) for the year	(1,303,019)	155,457
EQUITY (DEFICIT) - END OF YEAR	(1,060,667)	242,352

The City of Saint John
Water and Sewerage Utility
Statement of Revenue and Expenses
For the Year Ended December 31, 1990

	Budget 1990 $	Actual 1990 $	Actual 1989 $
Revenue			
Charges to Customers	10,083,896	10,016,689	9,641,375
Charges to General Operating Fund			
Water supply for fire protection (note 4)	1,909,682	2,024,079	1,856,663
Storm sewerage (note 4)	2,628,959	2,707,206	2,491,317
	4,538,641	4,731,285	4,347,980
Grant, Environment New Brunswick (note 5)	689,870	689,870	711,439
	15,312,407	15,437,844	14,700,794
Expenses			
Water supply			
Purification and treatment	548,500	538,956	439,670
Transmission and distribution	2,394,500	2,557,540	2,329,362
Pumping	639,600	602,564	554,530
Sewerage collection and disposal			
Sewerage collection system	1,405,200	1,485,270	1,248,630
Sewerage treatment and disposal	1,191,600	1,380,952	1,335,174
Billing and collection	317,600	343,183	297,729
Administration and general government services (note 4)	2,557,100	2,466,073	2,070,328
Bad debt expense (recoveries)	-	2,313	(1,095)
Expenses before recovery of lease expenses	9,054,100	9,376,851	8,274,328
Recovery of lease expenses	-	-	(140,058)
	9,054,100	9,376,851	8,134,270
EXCESS OF REVENUE OVER EXPENSES BEFORE FISCAL SERVICES AND UNUSUAL ITEMS	6,258,307	6,060,993	6,566,524
Fiscal Services			
Interest on long-term debt			
Debenture debt	1,903,612	1,871,913	1,872,466
Other long-term debt	553,112	522,619	578,392
Principal instalments			
Debenture debt	2,817,150	2,817,150	2,509,750
Other long-term debt	634,133	634,133	643,626
Capital projects financed by the Operating Fund	125,000	-	500,000
Short-term financing costs (note 4)	225,300	232,934	306,833
	6,258,307	6,078,749	6,411,067
EXCESS REVENUE (EXPENSES) BEFORE UNUSUAL ITEMS	-	(17,756)	155,457
UNUSUAL ITEMS (note 6)	-	1,285,263	-
EXCESS REVENUE (EXPENSES) FOR THE YEAR	-	(1,303,019)	155,457

The City of Saint John
Water and Sewerage Utility
Capital and Loan Fund Balance Sheet
As at December 31, 1990

	1990 $	1989 $
ASSETS		
Fixed assets (notes 1 and 3)		
Land, buildings, transmission and distribution system, plant and equipment	93,627,754	86,259,820
Due from Water and Sewerage Utility Operating Fund	1,297,326	-
	94,925,080	86,259,820
LIABILITIES		
Debenture debt (note 3)	16,862,801	16,954,951
Other long-term debt (note 3)		
Canada Mortgage and Housing Corporation	1,549,790	1,919,381
Department of Regional Industrial Expansion	4,527,934	4,781,490
Municipal Development and Loan Board	262,615	273,601
	23,203,140	23,929,423
Due to Water and Sewerage Utility Operating Fund	-	694,778
Due to General Operating Fund	5,045,053	1,501,085
Total liabilities	28,248,193	26,125,286
EQUITY	66,676,887	60,134,534
	94,925,080	86,259,820

The City of Saint John
Water and Sewerage Utility
Capital and Loan Fund Statement of Equity
For the Year Ended December 31, 1990

	1990 $	1989 $
EQUITY - BEGINNING OF YEAR	60,134,534	56,102,371
Debt repaid during the year by the Utility Operating Fund		
Debenture debt	2,817,150	2,509,750
Canada Mortgage and Housing Corporation	369,591	397,611
Department of Regional Industrial Expansion	253,556	235,588
Municipal Development and Loan Board	10,986	10,427
	3,451,283	3,153,376
	63,585,817	59,255,747
Capital projects financed by the Operating Fund	-	500,000
Provincial Government Contributions in aid of construction	2,659,930	-
Fixed assets purchased by the Operating Fund	431,140	378,787
EQUITY - END OF YEAR	66,676,887	60,134,534

The City of Saint John
Water and Sewerage Utility
Statement of Source and Application of Capital Financing
For the Year Ended December 31, 1990

	1990 $	1989 $
Source		
Bond issue	2,725,000	3,100,000
Contributions - Province of New Brunswick	2,659,930	-
Increase in amount due to the General Operating Fund	3,543,968	508,521
Increase in amount due from the Operating Fund	(1,992,104)	(1,150,589)
Fixed assets purchased by the Operating Fund	431,140	378,787
Capital projects financed by the Operating Fund	-	500,000
	7,367,934	3,336,719
Application		
Capital expenditures	7,367,934	3,336,719

The City of Saint John
Water and Sewerage Utility
Notes to Financial Statements
For the Year Ended December 31, 1990

1. Accounting Policies

a. Financial Statement Presentation

The Water and Sewerage Utility financial statements have been prepared in accordance with the fund basis of accounting. The operating fund reflects the Utility's working capital and results of operations and the capital and loan fund reflects its investment in fixed assets and outstanding long-term debt.

b. Fixed Assets and Depreciation

Fixed assets are recorded at cost. Funds received through capital assistance programs, cost sharing arrangements, or loan forgiveness are treated as additions to equity in capital assets.

The Utility does not record depreciation on its fixed assets, but an amount equal to annual debt repayment is charged to operations and credited to equity in capital assets. The Utility also charges to operations all capital projects that are financed in the current year from operating funds.

c. Retirement Pay Liability

All employees upon retirement from the City of Saint John are entitled to a retirement pay bonus equal to one month's pay, to a maximum of six months, for every five years of service. The Utility has made provision for employees currently with 23 years or more of service (1989 - 24 years).

d. Accrual Accounting

The Utility follows the accrual method of accounting for revenue and expenses.

2. Inventory

Beginning in 1990, all the inventory of the City of Saint John Water and Sewerage Utility and the General Fund has been recorded in the Operating Fund balance sheet of the General Fund.

3. Debenture and Other Long-term Debt

Debenture and other long-term debt consists of the following:

Year of Issue	Interest Rate %	Term Years	Balance $
1965	5.38	40	24,383
1966	5.25	30	6,656
1966	5.38	40	3,796
1966	5.38	30	69,681
1966	5.38	40	227,780
1971	7.75	20	37,500
1971	8.25	20	43,722
1972	7.00	20	9,738
1972	7.13	20	9,860
1972	8.25	20	136,848
1972	8.25	20	90,001
1973	7.88	20	135,918
1973	8.75	20	150,000
1975	7.12	30	2,873,291
1975	7.61	20	10,472
1975	7.64	20	29,567
1975	7.70	20	24,459
1976	10.50	20	621,900
1977	7.50	15	79,262
1977	9.50	20	238,000
1977	10.38	15	103,615
1978	10.25	15	198,000
1979	6.72	20	746
1979	7.02	20	11,781
1979	7.31	20	218,711
1979	7.73	20	381,754
1979	7.78	20	18,411
1979	7.81	15	131,590
1979	7.90	20	79,779
1979	8.05	20	59,795
1979	8.12	19	50,248
1979	8.20	20	36,627
1979	8.57	20	11,389
1979	8.71	20	543,402
1979	8.92	20	36,051
1979	11.75	15	332,800
1980	10.00	15	889,116
1980	10.00	20	81,891
1980	13.50	15	700,000

3. Debenture and Other Long-term Debt (continued)

Year of Issue	Interest Rate %	Term Years	Balance $
1982	17.50	10	360,000
1982	17.75	10	580,000
1983	11.50	10	154,200
1983	11.75 to 12.00	10	450,000
1984	12.75	10	520,000
1984	13.25 to 13.75	10	400,000
1985	11.25 to 11.50	10	1,000,000
1986	9.75 to 10.00	10	1,856,400
1987	10.00 to 10.50	10	2,219,000
1988	10.25 to 10.50	10	1,440,000
1989	10.25 to 10.50	10	2,790,000
1990	11.50 to 11.75	10	2,725,000
			23,203,140

The aggregate amount of principal payments required on the Utility's long-term debt in each of the next five years is as follows:

	$
1991	3,737,546
1992	3,711,078
1993	3,068,584
1994	2,742,712
1995	2,437,668

Fixed assets include $3,747,727 (1989 - $2,195,863) for which financing has not been arranged at the year end.

4. Transactions with the General Operating Fund

The Water and Sewerage Utility operating fund reimburses the general operating fund of The City of Saint John for a portion of the general government operating costs. In addition, a charge is made to the general operating fund for storm sewerage charges and water supply for fire protection. Interest is also charged on the balances between the General Fund and the Water and Sewerage Utility on a monthly basis.

The City of Saint John
Water and Sewerage Utility
Notes to Financial Statements
For the Year Ended December 31, 1990

5. Grant, Environment New Brunswick

The Utility receives annual grants from the Province of New Brunswick to offset financing costs related to the construction of sewerage treatment plants. These grants continue for a period corresponding to the term of the long-term debt issued to finance the construction.

The level of assistance is diminishing and will be eliminated by 1995.

6. Unusual Items

Unusual items consists of the following:

		$
1)	Billing received from the Power Commission of the City of Saint John for power consumed but not invoiced in prior years	176,807
2)	Refund due to New Brunswick Power for amounts overbilled	1,108,456
		1,285,263

THE CITY OF SAINT JOHN

SINKING, RESERVE & TRUST FUNDS

1990 FINANCIAL STATEMENTS

THE CITY OF SAINT JOHN
SINKING, RESERVE AND TRUST FUNDS

Financial Statements

For the Year Ended December 31, 1990

Coopers
&Lybrand

Coopers &Lybrand

chartered accountants

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Canada E2L 4B9

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a member firm of
Coopers & Lybrand (International)

AUDITORS' REPORT

**To Her Worship the Mayor and Members of
Common Council of the City of Saint John**

We have audited the balance sheet of the Sinking, Reserve and Trust Funds of The City of Saint John as at December 31, 1990 and the related statement of changes in equity for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Sinking, Reserve and Trust Funds of the City as at December 31, 1990 and the changes in their equity for the year then ended in accordance with accounting principles generally accepted for municipalities.

Coopers & Lybrand

Chartered Accountants
April 29, 1991

Resident Partners
L R Cosman
J D Craig
H R Tolby
R D Urquhart
P Washow
L G Warren

The City of Saint John
Sinking, Reserve and Trust Funds
Balance Sheet
As at December 31, 1990

	Reserve Funds		Trust Funds											
	Machinery and Equipment Depreciation Fund $	Airspace 2049 Fund $	S.J. N.P.H. Sinking Fund $	Land Sub-Division Fund $	Tucker Fund $	Recreation Development Fund $	Stockford Memorial Fund $	O'Connell Fund $	L.R. Ross Fund $	A. Carle Smith Fund $	Centennial Fund $	S.J.N.P.H. Future Development Fund $	Total 1990 $	Total 1989 $
ASSETS														
Cash	37,909	-	5,713	4,479	551	2,436	324	435	134	118	-	6,032	58,131	45,691
Term deposits and bonds, at cost	130,786	-	625,263	540,258	100,285	82,365	86,898	48,203	19,688	16,010	674	660,229	2,310,659	2,312,594
Accrued interest	593	-	4,153	3,428	566	829	449	293	143	73	13	4,384	14,924	18,629
Marketable securities, at market	-	49,244	-	-	-	-	-	-	-	-	-	-	49,244	54,505
Land improvements	-	-	-	-	4,784	-	-	-	-	-	-	-	4,784	6,184
Due from General Operating Fund	-	-	-	-	-	-	-	-	-	-	-	19,920	19,920	-
	169,288	49,244	635,129	548,165	106,186	85,630	87,671	48,931	19,965	16,201	687	690,565	2,457,662	2,437,603
LIABILITIES AND EQUITY														
Due to General Operating Fund	40	-	-	-	-	-	-	-	-	-	-	-	40	101,724
Due to General Capital and Loan Fund	-	-	508,600	-	-	-	-	-	-	-	-	-	508,600	615,200
Equity	169,248	49,244	126,529	548,165	106,186	85,630	87,671	48,931	19,965	16,201	687	690,565	1,949,022	1,720,679
	169,288	49,244	635,129	548,165	106,186	85,630	87,671	48,931	19,965	16,201	687	690,565	2,457,662	2,437,603

SIGNED ON BEHALF OF THE COUNCIL

Mayor

Chairman
Finance Committee

Coopers &Lybrand

The City of Saint John
Sinking, Reserve and Trust Funds
Statement of Changes in Equity
For the Year Ended December 31, 1990

	Reserve Funds			Trust Funds											
	Sinking Fund $	Machinery and Equipment Depreciation Fund $	Airspace 2049 Fund $	S.J. N.P.H. Sinking Fund $	Land Sub-Division Fund $	Tucker Fund $	Recreation Develop-ment Fund $	Stockford Memorial Fund $	O'Connell Fund $	L.R. Ross Fund $	A. Carle Smith Fund $	Centennial Fund $	S.J.N.P.H. Future Develop-ment Fund $	Total 1990 $	Total 1989 $
INCREASE IN EQUITY															
Interest	1,186	13,941	-	82,480	56,428	10,685	8,616	9,265	5,131	1,904	1,707	66	87,554	278,963	271,257
Increase in value of securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,532
Transfer from Operating Fund	-	100,000	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Contributions from subdividers	-	-	-	-	9,170	-	-	-	-	-	-	-	-	9,170	34,808
	1,186	113,941	-	82,480	65,598	10,685	8,616	9,265	5,131	1,904	1,707	66	87,554	388,133	415,597
DECREASE IN EQUITY															
Transfers to Capital and Loan Fund	19,745	-	-	-	-	-	-	-	-	-	-	-	-	19,745	-
Transfers to Operating Fund	-	62,156	-	68,128	-	-	-	-	-	-	-	-	1,500	131,784	543,914
Decrease in value of securities	-	-	5,261	-	-	-	-	-	-	-	-	-	-	5,261	-
Unpresented bonds	3,000	-	-	-	-	-	-	-	-	-	-	-	-	3,000	-
	22,745	62,156	5,261	68,128	-	-	-	-	-	-	-	-	1,500	159,790	543,914
INCREASE (DECREASE) IN EQUITY DURING THE YEAR	(21,559)	51,785	(5,261)	14,352	65,598	10,685	8,616	9,265	5,131	1,904	1,707	66	86,054	228,343	(128,317)
EQUITY - BEGINNING OF YEAR	21,559	117,463	54,505	112,177	482,567	95,501	77,014	78,406	43,800	18,061	14,494	621	604,511	1,720,679	1,848,996
EQUITY - END OF YEAR	-	169,248	49,244	126,529	548,165	106,186	85,630	87,671	48,931	19,965	16,201	687	690,565	1,949,022	1,720,679

Coopers & Lybrand

The City of Saint John
Sinking, Reserve & Trust Funds
Notes to Financial Statements
For the Year Ended December 31, 1990

1. Significant Accounting Policy

Accrual Accounting

The City follows the accrual method of accounting for revenue and expenses.

2. Reserve Funds

Sinking Fund

The Sinking Fund was created to provide funds for the repayment of specific debentures. As all of these debentures have now been repaid, the remaining surplus was transferred to the General Fund and the Sinking Fund has now been closed.

Machinery and Equipment Depreciation Fund

Under Section 90(4) of the Municipalities Act, Council by resolution can create an equipment replacement reserve. Contributions to this fund are made through the operating budget of the General Fund. Disbursements from this fund may only be made for the acquisition of equipment and require the approval of Common Council.

Airspace 2049 Fund

Established in 1985 with respect to the development of Market Square and in particular the condominium development. Upon the sale of airspace to allow for the construction of the project, the proceeds were invested to allow for the reacquisition by the City of this airspace in the year 2049 when the ownership of the complex reverts to the City of Saint John.

Saint John Non Profit Housing Sinkin Fund

Established in 1987 on the sale by the City of the Rockwo Court Complex. Of the total proceeds, $755,000 was set aside by resolution of Common Council to retire all outstanding bond issues relating to the complex as they became due and payable.

3. Trust Funds

Land Subdivision Fund

Section 43 of the Community Planning Act requires that monies received by Council in lieu of land for public purposes be paid into a special account. Council may expend these funds for acquiring or developing land for public purposes as defined by the Community Planning Act.

Tucker Fund

By an Act of the Legislative enacted April 20, 1927 securities with a par value of $10,000 were vested with the City of Saint John. This Act provided that the income and a portion of the principal from this Trust, with the approval of Common Council, should be used for the maintenance and improvement of Tucker Park.

Recreation Development Fund

Funds belonging to the County of Saint John were turned over to the City of Saint John upon amalgamation. These funds may only be used for recreational facilities within the County of Saint John. Requests for amounts under $5,000 may be approved by the City Manager. Requests exceeding this amount must be approved by Common Council and must be matched by an equal amount by the group or individual making the request.

Stockford Memorial Fund

This fund was established on December 28, 1939 as a result of a bequest of $3,000 from Fannie M. Stockford of Boston, Massachusetts. The amount was to be invested and the annual income was to be used towards the upkeep and maintenance of King Square.

O'Connell Fund

This fund was established on March 22, 1939 with a contribution of $2,000 from J. D. O'Connell. The contribution was to be invested and the income distributed among the orphanages of the City on the pro-rata basis of the children cared for by each, to be given by way of a Christmas gift to each child.

L. R. Ross Fund

This fund was established in 1921 through the gift of $1,250 and the "Ross Memorial Cup". The cup was to be competed for annually by amateur single scullers, twenty-one years or under who are residents of the Maritime Provinces. The income from this Trust is to be used to provide a duplicate cup for the winner of each race held. Changes to the Trust in 1986 now allow for the funds to be used to promote the sport of rowing in Saint John, provided that $4,000 remains in the fund to enable the "Ross Memorial Cup" to be duplicated when necessary.

3. **Trust Funds** (continued)

A. Carle Smith Fund

Established in September, 1976, funds were received from the estate of A. Carle Smith. These funds are to be used for the maintenance of a wildlife sanctuary in the South Bay area.

Centennial Fund

These funds are to be used for ceremonies marking the 200th anniversary of Canada in the year 2067.

Saint John Non Profit Housing Future Development Fund

Established in 1987, on the sale by the City of the Rockwood Court Complex. By resolution of Common Council the proceeds, in excess of the amount required to meet the outstanding obligations of the complex, amounting to $470,726 were to be set aside and administered by Saint John Non Profit Housing Incorporated. This fund was to be used for new housing initiatives subject to restrictions set out by the City of Saint John.

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

1990 FINANCIAL STATEMENTS

THE POWER COMMISSION
OF THE CITY OF SAINT JOHN

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 1990

THE POWER COMMISSION
OF THE CITY OF SAINT JOHN

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 1990

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AUDITORS' REPORT

To the Commissioners of
The Power Commission of the City of Saint John

We have audited the balance sheet of The Power Commission of the City of Saint John as at December 31, 1990 and the statements of operations and earnings retained and changes in financial position for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peat Marwick Thorne

March 4, 1991

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

BALANCE SHEET

	December 31 1990	1989
ASSETS		
CURRENT ASSETS		
Cash	$ 116,822	$ 354,881
Accounts receivable (note 1)	5,087,389	6,251,664
Accrued revenue	2,884,440	3,416,316
Inventories	3,263,724	3,475,865
Prepaid expenses	85,619	106,021
	11,437,994	13,604,747
SPECIAL FUNDS (note 2)	1,728,109	1,782,588
PROPERTY, PLANT AND EQUIPMENT (note 3)		
Land, buildings, plant and equipment	33,755,773	31,776,596
Accumulated depreciation	15,929,625	15,082,192
	17,826,148	16,694,404
DEFERRED PENSION COSTS (note 5)	338,900	-
	$ 31,331,151	$ 32,081,739

APPROVED BY THE COMMISSION

Chairman

General Manager

	December 31 1990	1989
LIABILITIES		
CURRENT LIABILITIES		
Bank overdraft	$ 567,408	$ -
Payable to the New Brunswick Electric Power Commission	4,941,223	5,698,415
Payable to the City of Saint John	-	349,506
Accounts payable and accrued liabilities	236,693	445,334
Customers' deposits	92,456	70,631
Accrued bond interest	41,236	46,223
Principal due within one year on long-term debt	449,500	497,167
	6,328,516	7,107,276
LONG-TERM DEBT (note 4)	6,079,427	6,524,511
EARNINGS RETAINED AND USED FOR OPERATIONS		
Reserve for contingencies	1,050,000	1,050,000
Reserve for indemnity insurance	600,000	600,000
Earnings retained, invested in assets (note 6)	17,273,208	16,799,952
	18,923,208	18,449,952
	$ 31,331,151	$ 32,081,739

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

STATEMENT OF OPERATIONS AND EARNINGS RETAINED

	Year ended December 31	
	1990	1989
Revenue	$ 54,545,782	$ 54,158,316
Electrical energy purchased	47,320,272	47,165,323
	7,225,510	6,992,993
Expenses (note 3)		
Operating and maintenance	2,436,311	2,380,891
Commercial administration	1,937,502	1,843,026
General and administration	1,264,836	1,272,793
Plant depreciation	772,679	682,453
Interest on long-term debt	712,181	459,867
Taxes	609,336	602,353
	7,732,845	7,241,383
	(507,335)	(248,390)
Other revenue	980,591	391,359
NET REVENUE	473,256	142,969
Earnings retained at beginning of year		
As previously reported	18,259,739	18,116,770
Prior period adjustments (note 7)	190,213	190,213
As restated	18,449,952	18,306,983
EARNINGS RETAINED AT END OF YEAR	$ 18,923,208	$ 18,449,952

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended December 31	
	1990	1989
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net revenue	$ 473,256	$ 142,969
Items not involving cash		
Depreciation	1,326,496	1,201,049
Pension expense credit	(307,100)	-
	1,492,652	1,344,018
Changes in non-cash components of operating working capital		
Accounts receivable	1,164,275	(903,198)
Accrued revenue	531,876	(269,405)
Inventories	212,141	(295,797)
Prepaid expenses	20,402	(17,243)
Payable to the New Brunswick Electric Power Commission	(757,192)	661,222
Other current liabilities	(541,309)	(6,287)
	2,122,845	513,310
FINANCING		
Increase in long-term debt	-	4,000,000
Reduction in long-term debt	(492,751)	(394,880)
	(492,751)	3,605,120
INVESTMENTS		
Additions to property, plant and equipment	(2,458,240)	(3,505,154)
Decrease in special funds	54,479	563,462
Pension fund contribution	(31,800)	-
	(2,435,561)	(2,941,692)
INCREASE (DECREASE) IN CASH POSITION	(805,467)	1,176,738
Cash position at beginning of year	354,881	(821,857)
CASH POSITION AT END OF YEAR	$ (450,586)	$ 354,881
Represented by:		
Cash	$ 116,822	$ 354,881
Bank overdraft	(567,408)	-
	$ (450,586)	$ 354,881

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1990

GENERAL

The Power Commission of the City of Saint John is the principal supplier of electrical power to the residential, general and industrial sectors of the City of Saint John.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventories consist of merchandise, construction and maintenance supplies, all valued at cost.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of any recoveries. Depreciation is provided, for assets in use, on the straight line basis at the following annual rates.

Buildings	2.5%
Transmitting equipment	3.33% and 4%
Tools, working and office equipment	10% and 20%
Rental equipment	15%
Automotive equipment	15% and 20%

Revenue

Billings to residential, general and industrial customers are rendered monthly on a cyclical basis. Municipal street lighting is billed at the end of each month. Accrued revenue is recorded in respect of the period from the last cycle billing date to the end of the fiscal year.

1. ACCOUNTS RECEIVABLE

	1990	1989
Customer accounts	$ 4,177,313	$ 5,350,509
Conservation and Electrical Improvement loans	630,113	486,045
Home Energy loans	3,016	33,098
Sundry	346,947	457,036
	5,157,389	6,326,688
Less allowance for bad debts	(70,000)	(75,024)
	$ 5,087,389	$ 6,251,664

1. ACCOUNTS RECEIVABLE (continued)

To avoid unnecessary Federal Goods and Services Tax expense for its customers, in 1990 the Commission changed its billing rate structure to bill net amounts, with provision for late payment charges, rather than gross amounts with discounts for prompt payment. Previously, such discounts were not recognized as a reduction of net revenue until payment was received. Consequently, accounts receivable and accrued revenue at December 31, 1990 are valued at approximately $700,000 less and reported net revenue is less by a similar amount than would have been reported had the billing rate structure not been changed.

2. SPECIAL FUNDS

The special funds are retained to provide for indemnity insurance and contingencies and are represented by the following assets.

	1990	1989
Cash	$ 185,451	$ 157,686
Accrued interest receivable	32,738	32,490
Investments, at cost (quoted market value 1990, $1,525,138; 1989, $1,666,159)	1,509,920	1,592,412
	$ 1,728,109	$ 1,782,588

The interest earned on these funds in the amount of $208,262 ($208,969 in 1989) is reflected in the financial statements in other revenue.

3. PROPERTY, PLANT AND EQUIPMENT

	1990			1989
	Cost	Accumulated depreciation	Net	Net
Land, buildings and transmitting equipment	$ 28,149,512	$ 13,153,341	$ 14,996,171	$ 12,653,256
Construction in progress	1,010,778	-	1,010,778	2,320,785
Tools, working and office equipment	1,081,298	577,530	503,768	486,902
Rental equipment	2,267,844	1,470,079	797,765	739,608
Automotive equipment	1,246,341	728,675	517,666	493,853
	$ 33,755,773	$ 15,929,625	$ 17,826,148	$ 16,694,404

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation for the year amounted to $1,326,496 ($1,201,049 in 1989) and is included in these financial statements as part of the various expense categories.

4. LONG-TERM DEBT

Long-term debt consists of amounts payable to The City of Saint John represented by serial debentures payable by the City in annual principal instalments until November 22, 1999, bearing interest and having final maturity dates as follows.

Interest rate	Maturity date	1990	1989
10.50%	October 1, 1990	$ -	$ 66,667
7.75%	December 1, 1991	37,500	75,000
8.25%	December 15, 1992	25,000	37,500
8.75%	December 15, 1993	22,500	30,000
10.75%	December 1, 1994	200,000	250,000
10.50%	September 1, 1996	300,000	350,000
9.50%	June 15, 1997	700,000	800,000
9.75%	June 22, 1998	1,402,000	1,453,000
10.87%	June 29, 1999	1,939,000	2,000,000
10.50%	November 22, 1999	1,939,000	2,000,000
		6,565,000	7,062,167
Less:			
Unamortized bond discount		36,073	40,489
Principal included in current liabilities		449,500	497,167
		$ 6,079,427	$ 6,524,511

Principal repayments on long-term debt due within each of the next five years are as follows.

1991	$ 449,500
1992	$ 432,000
1993	$ 439,500
1994	$ 456,000
1995	$ 433,000

5. PENSION COSTS AND OBLIGATIONS

The Commission maintains a defined benefit pension plan which is available to all employees. The plan provides pensions based on years of service and is funded by employee contributions of a fixed percentage of salaries and employer contributions for the balance required to fund accrued pension benefits as determined by actuarial valuation.

An actuarial valuation is performed triannually, the latest being at January 1, 1991. Based upon that actuarial valuation, the accrued pension benefit obligation was $18,502,000 as at December 31, 1990 ($18,253,000, 1989). Pension fund assets at fair market value were $21,779,000 as at that date ($21,809,000, 1989).

Annual experience gains and losses and the excess of pension fund assets at December 31, 1988 over the accrued benefit obligation as at that date are being amortized over the expected average remaining service life of the plan participants. The resulting credit to pension expense and employer funding contributions made in 1990 have been reflected in the balance sheet as deferred pension costs.

6. EARNINGS RETAINED

Under the regulations of the Municipalities Act, the Commission is permitted to establish a reserve fund with respect to the financing of capital assets. Transfers to such a fund in any one year may not exceed 7% of gross revenue from the sale of electric power.

The Commission has, as administrative practice, accumulated earnings retained to the extent that the annual increments complied with the 7% guideline. In no year has the amount accumulated exceeded the amount permitted by the regulations.

7. PRIOR PERIOD ADJUSTMENTS

As a result of a metering fault which was discovered and corrected in early 1990, the Commission is entitled to recover $176,807 of previously unbilled revenue earned in prior years from one of its customers. As the amounts applicable to the statements of operations for 1990 and 1989 would be immaterial, this amount, together with additional prior period adjustments of $13,406, has been added to earnings retained at the beginning of 1989. The amount is included in sundry accounts receivable as at December 31, 1989 and 1990.

KPMG Peat Marwick Thorne

Chartered Accountants

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AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Commissioners of
The Power Commission of the City of Saint John

We have audited and reported separately herein on the financial statements of The Power Commission of the City of Saint John as at and for the year ended December 31, 1990.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Commission taken as a whole. The supplementary information included is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

March 4, 1991

Peat Marwick Thorne

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

SCHEDULE OF REVENUE

	Year ended December 31	
	1990	1989
Lighting and power		
Residential service	$ 25,136,835	$ 25,534,337
General and industrial service	31,931,296	31,897,884
Municipal street lighting	863,935	849,177
Area lighting	438,099	439,653
Water heater rentals	649,506	631,725
	59,019,671	59,352,776
Customers' discounts	4,473,889	5,194,460
	$ 54,545,782	$ 54,158,316

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

SCHEDULE OF DETAILS OF EXPENSES AND OTHER REVENUE

	Year ended December 31	
	1990	1989
OPERATING AND MAINTENANCE		
Salaries, wages and related benefits	$ 1,439,667	$ 1,286,531
Stores	78,020	77,415
Automotive equipment (including depreciation)	275,717	233,280
Other equipment	135,889	109,322
Substations	26,391	111,415
Poles, towers and fixtures	239,129	238,507
Conductors	116,229	193,167
Line transformers and devices	27,628	25,890
Meters and devices	32,183	14,667
Consumers' premises	3,029	3,643
Street lighting	62,429	87,054
	$ 2,436,311	$ 2,380,891
COMMERCIAL ADMINISTRATION		
Salaries	$ 1,190,252	$ 1,140,257
Meter reading supplies	6,653	7,828
Billing and collecting	97,289	79,670
Bad debt provision	139,255	150,969
Business promotion	41,187	35,582
Water heater expenses	440,120	410,985
Cost of appliances sold	22,746	17,735
	$ 1,937,502	$ 1,843,026

THE POWER COMMISSION OF THE CITY OF SAINT JOHN

SCHEDULE OF DETAILS OF EXPENSES AND OTHER REVENUE (Continued)

	Year ended December 31 1990	1989
GENERAL AND ADMINISTRATION		
Salaries and fees	$ 374,641	$ 355,218
Office supplies	194,764	179,310
Telephone and telegraph	37,833	35,041
Professional services	30,251	32,776
General insurance	51,164	72,053
Unemployment insurance	46,518	36,799
Group insurance	39,606	36,743
Canada Pension	30,953	27,402
Group health	84,373	93,810
Workers' Compensation	13,043	17,905
Employees' pension	18,720	17,126
Depreciation of furniture and office equipment	60,000	57,613
Building	186,273	191,392
Miscellaneous	96,697	119,605
	$ 1,264,836	$ 1,272,793
OTHER REVENUE		
Interest		
Cash	$ 208,113	$ 116,904
Special Funds	208,262	208,962
Customer loans	34,457	24,007
Customer accounts	34,375	-
Connection charges	110,604	107,985
Pension expense credit (note 5)	307,100	-
Sundry	77,680	(66,499)
	$ 980,591	$ 391,359

SAINT JOHN TRANSIT COMMISSION

1990 FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

SAINT JOHN TRANSIT COMMISSION

December 31, 1990

Ernst & Young

AUDITORS' REPORT

To the Shareholder of
Saint John Transit Commission

We have audited the balance sheet of **Saint John Transit Commission** as at December 31, 1990 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Saint John, Canada,
February 20, 1991.

Ernst & Young
Chartered Accountants

Saint John Transit Commission

BALANCE SHEET

As at December 31

	1990 $	1989 $
ASSETS		
Current		
Cash	197,146	47,952
Short-term deposits	98,724	197,780
Accounts receivable *[note 2]*	81,059	151,705
Inventory of spare parts	193,941	176,677
Prepaid expenses	9,294	9,278
	580,164	583,392
Fixed *[note 3]*	3,383,517	3,122,485
	3,963,681	3,705,877
LIABILITIES AND EQUITY		
Current		
Trade accounts payable and accrued charges	368,569	451,745
Due to the City of Saint John for underexpenditure of operating subsidy	4,611	85,419
Current portion of long-term debt *[note 4]*	474,500	413,000
	847,680	950,164
Long-term debt *[note 4]*	2,870,745	2,671,213
Sick pay accrual *[note 5]*	160,756	—
Equity	84,500	84,500
	3,963,681	3,705,877

See accompanying notes

On behalf of the Commission:

Commissioner Commissioner

Saint John Transit Commission

STATEMENT OF OPERATIONS AND EQUITY

Year ended December 31

	1990 $	1989 $
Revenue		
Fares	1,947,419	1,856,466
Senior citizens' subsidy	50,000	50,000
Charter	99,641	99,306
Advertising	65,129	68,493
Interest	22,608	14,241
Other	10,492	10,007
	2,195,289	2,098,513
Expenditures *[schedule 1]*		
Transportation	2,408,354	2,294,650
Vehicle maintenance	1,087,753	1,046,671
General and administrative	324,661	296,773
	3,820,768	3,638,094
Cost of operations before undernoted items	1,625,479	1,539,581
Interest on long-term debt	311,810	329,756
Depreciation	413,010	355,090
Sick pay accrual *[note 5]*	160,756	—
	885,576	684,846
Total cost of operations	2,511,055	2,224,427
Subsidies from the City of Saint John		
Operating	1,786,235	1,539,581
Interest and debt reduction	724,820	684,846
	2,511,055	2,224,427
Equity	84,500	84,500

See accompanying notes

Saint John Transit Commission

STATEMENT OF CASH FLOWS

Year ended December 31

	1990 $	1989 $
Cash provided by [used for]:		
Operations		
Total cost of operations	(2,511,055)	(2,224,427)
Less depreciation, a non-cash item	413,010	355,090
Subsidies from the City of Saint John		
Operating	1,786,235	1,539,581
Interest on long-term debt	311,810	329,756
Net change in non-cash working capital balances *[note 6]*	50,138	79,745
	50,138	79,745
Financing		
Repayment of debentures	(316,000)	(266,000)
Repayment of capital leases	(97,010)	(89,090)
Long-term debt subsidy from the City of Saint John	413,010	355,090
Capital expenditures financed by the City of Saint John	674,041	526,197
	674,041	526,197
Investments		
Capital expenditures	(674,041)	(526,197)
Increase [decrease] in cash and short-term deposits	50,138	79,745
Cash and short-term deposits, beginning of year	245,732	165,987
Cash and short-term deposits, end of year	295,870	245,732

See accompanying notes

SCHEDULE OF EXPENDITURES

Year ended December 31

	1990 $	1989 $
TRANSPORTATION		
Salaries and wages	1,481,082	1,430,798
Gas and oil	452,366	423,505
Fringe benefits	320,138	307,003
Fleet insurance	61,735	61,889
Miscellaneous	20,618	21,431
Safety awards and allowances	20,371	19,770
Tickets and schedules	12,989	15,048
Parallel transit	20,387	14,000
Uniforms	18,668	1,206
	2,408,354	2,294,650
VEHICLE MAINTENANCE		
Salaries and wages	478,893	462,552
Supplies and parts	289,636	251,430
Heat	79,702	84,845
Fringe benefits	104,540	105,768
Real estate taxes	47,618	45,454
Building maintenance	34,819	43,826
Tools and equipment	17,078	21,564
Miscellaneous	18,077	13,365
Safety awards and allowances	6,181	6,864
Miscellaneous supplies	590	5,686
Water	10,619	5,317
	1,087,753	1,046,671
GENERAL AND ADMINISTRATIVE		
Salaries	165,311	150,884
Advertising	46,003	44,752
Miscellaneous	30,328	20,096
Travel	20,544	16,904
Fringe benefits	24,565	26,687
Telephone and radio system	9,875	9,988
Professional fees	11,760	9,600
Postage, stationery and printing	6,933	8,611
Insurance	6,092	6,001
Board payments	3,250	3,250
	324,661	296,773

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

December 31, 1990

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Saint John Transit Commission follows generally accepted accounting principles, except for depreciation accounting which is discussed below.

City of Saint John

Saint John Transit Commission was established by the City of Saint John to operate the public transit system. The City has the obligation under the Commission's Act of Incorporation to finance all net operating and capital expenditures. Any amount due to or from the City at year end results from the difference between regular monthly payments received from the City and net operating expenditures for the year.

Fixed assets

Asset acquisitions are recorded at cost, less direct funding provided by the Urban Transportation Assistance Program. Depreciation is measured as an amount equal to the annual debt reduction and is charged to operations and credited against asset costs.

Inventory

Inventory of spare parts is carried at cost or replacement cost, whichever is lower. Cost is defined as average laid down cost.

Capital lease obligations

Long-term lease transactions related to the financing of motor vehicles are accounted for as capital leases. The capitalized lease obligations reflect the present value of future rental payments discounted at the interest rate implicit in the lease; a corresponding amount has been capitalized as the cost of the leased assets.

Subsidies

Operating subsidies received from the City of Saint John are recognized as revenue when operating expenditures are incurred.

Subsidies on account of long-term debt retirement are recognized when each year's obligations of Saint John Transit Commission are funded by the City.

Transcard revenue

Transcard receipts are recognized as revenue when sales are made to the public.

NOTES TO FINANCIAL STATEMENTS

December 31, 1990

2. ACCOUNTS RECEIVABLE

	1990 $	1989 $
Trade accounts receivable	66,776	81,566
Due from the City of Saint John for capital expenditures	14,283	70,139
	81,059	151,705

3. FIXED ASSETS

	1990 $	1989 $
Land	77,470	77,470
Building	3,005,436	2,996,305
Motor vehicles - purchased	3,953,670	3,320,067
- leased	1,294,218	1,294,218
Transportation equipment	146,960	144,417
Office equipment	50,581	50,581
Computer equipment	39,098	24,618
Maintenance equipment	105,800	91,516
Bus shelters and signs	75,535	75,535
	8,748,768	8,074,727
Deduct funding provided by the Urban Transportation Assistance Program	2,600,311	2,600,311
	6,148,457	5,474,416
Less reduction of debt related thereto	2,764,940	2,351,931
	3,383,517	3,122,485

NOTES TO FINANCIAL STATEMENTS

December 31, 1990

4. LONG-TERM DEBT

	1990 $	1989 $
Long-term debt		
17-3/4% - March 1, 1992	120,000	180,000
17-1/2% - September 2, 1992	155,000	232,500
10-3/4% to 11-1/2% - May 16, 1993	25,500	34,000
9% to 10% - December 1, 1996	222,000	259,000
9-1/2% to 10-1/2% - December 22, 1997	301,000	344,000
10-1/4% to 10-1/2% - November 24, 1998	320,000	360,000
10-1/4% to 10-1/2% - November 23, 1999	450,000	500,000
11-1/2% to 11-3/4% - December 11, 2000	525,000	—
Net cash advances from the City of Saint John against capital and other expenditures	674,569	525,527
Capital lease obligations, expiring in 1995	552,176	649,186
	3,345,245	3,084,213
Less current portion	474,500	413,000
	2,870,745	2,671,213

The long-term debt was incurred by the City of Saint John with respect to capital and other expenditures made on behalf of the Commission. The capital lease obligations were undertaken by the City of Saint John for the acquisition of motor vehicles and were allocated to the Commission.

Annual repayment of long-term debt for debentures and capital leases is as follows:

Year	Debentures $	Capital leases $	Total $
1991	368,500	160,916	529,416
1992	368,500	160,916	529,416
1993	231,000	160,916	391,916
1994	222,000	217,995	439,995
1995	222,500	—	222,500
	1,412,500	700,743	2,113,243
Thereafter	706,000	—	706,000
Net cash advances from the City of Saint John to be financed by the issuance of debentures in 1991	674,569	—	674,569
	2,793,069	700,743	3,493,812
Less imputed interest at 8.7%	—	148,567	148,567
	2,793,069	552,176	3,345,245

NOTES TO FINANCIAL STATEMENTS

December 31, 1990

5. SICK PAY ACCRUAL

As a result of policy established by the Commission and ratification of a new Union Contract on July 1, the Commission now has an obligation under certain conditions to pay a percentage of accumulated sick days to its employees. As a result, a provision for this liability, which represents 50% of the employees' sick days accumulated to December 31, 1990, is recorded in the current year's results.

6. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES

	1990 $	1989 $
Increase (decrease) in		
Trade accounts payable and accrued charges	77,580	81,677
Due to the City of Saint John for underexpenditure of operating subsidy	(80,808)	80,687
Decrease (increase) in		
Accounts receivable	70,646	(66,641)
Inventory of spare parts	(17,264)	(17,553)
Prepaid expenses	(16)	1,575
	50,138	79,745

7. INCOME TAX

The Saint John Transit Commission qualifies as a Municipal Commission under Section 149(1)(d) of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

8. COMPARATIVE FIGURES

The 1989 comparative figures have been restated to conform with financial statement presentation adopted by the Commission during the current year.

SAINT JOHN AQUATIC CENTRE COMMISSION

1990 FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

SAINT JOHN AQUATIC CENTER COMMISSION

December 31, 1990

Ernst & Young

AUDITORS' REPORT

To the Commissioners of
Saint John Aquatic Center Commission

We have audited the funds' balance sheets of **Saint John Aquatic Center Commission** as at December 31, 1990 and the operating fund's statement of operations, the capital fund's statement of revenue, expenditure and unexpended funds and the operating fund's statement of cash flows for the year then ended. These financial statements are the responsibility of the commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the commission as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Saint John, Canada,
February 12, 1991.

Ernst & Young
Chartered Accountants

Saint John Aquatic Center Commission

BALANCE SHEET

As at December 31

	1990 $	1989 $
OPERATING FUND		
ASSETS		
Cash and term deposits	150,126	127,514
Accounts receivable	69,199	95,523
Due from the City of Saint John	32,275	79,648
Inventory	32,472	32,537
Prepaid expenses	15,641	16,001
	299,713	351,223
LIABILITIES		
Accounts payable and accrued charges	91,624	126,673
Unearned revenue	89,520	105,981
Due to Capital Fund	118,569	118,569
	299,713	351,223
CAPITAL FUND		
ASSETS		
Due from Operating Fund	118,569	118,569
Fixed assets *[note 2]*	593,783	513,220
	712,352	631,789
EQUITY AND UNEXPENDED FUNDS		
Equity in fixed assets	593,783	513,220
Unexpected funds	118,569	118,569
	712,352	631,789

See accompanying notes

On behalf of the Commission:

Commissioner

Commissioner

Saint John Aquatic Center Commission

STATEMENT OF OPERATIONS

Year ended December 31

	1990		1989
	Actual $	Budget $	Actual $
OPERATING FUND			
Revenue			
Program activities	1,125,166	1,189,440	1,079,672
Interest allocated from capital fund	11,696	—	10,697
	1,136,862	1,189,440	1,090,369
Expenses			
Maintenance	657,029	682,206	673,476
Administration	346,763	325,055	284,166
Program	740,276	757,179	729,079
	1,744,068	1,764,440	1,686,721
Net cost of operations	607,206	575,000	596,352
Subsidy from the City of Saint John	607,206	575,000	596,352

See accompanying notes

Saint John Aquatic Center Commission

STATEMENT OF REVENUE, EXPENDITURE AND UNEXPENDED FUNDS

Year ended December 31

	1990 $	1989 $
CAPITAL FUND		
Revenue		
City of Saint John	80,563	61,678
Interest	11,696	10,697
	92,259	72,375
Expenditure		
Purchase of fixed assets	80,563	61,678
Allocation of interest to operating fund	11,696	10,697
	92,259	72,375
Unexpended funds, beginning of year	118,569	118,569
Unexpended funds, end of year	118,569	118,569

See accompanying notes

Saint John Aquatic Center Commission

STATEMENT OF CASH FLOWS

Year ended December 31

	1990 $	1989 $
OPERATING FUND		
Cash provided by (used for)		
Operations		
Net cost of operations	607,206	(596,352)
Subsidy from the City of Saint John	(607,206)	596,352
	—	—
Net change in non-cash working capital balances		
Accounts receivable	26,324	(57,097)
Due from the City of Saint John	47,373	29,460
Inventory	65	11,704
Prepaid expenses	360	(5,516)
Accounts payable and accrued charges	(35,049)	24,767
Unearned revenue	(16,461)	8,974
Increase in cash and term deposits	22,612	12,292
Cash and term deposits, beginning of year	127,514	115,222
Cash and term deposits, end of year	150,126	127,514

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

December 31, 1990

1. SIGNIFICANT ACCOUNTING POLICIES

The Commission is incorporated under the laws of New Brunswick. The financial statements have been prepared by management in accordance with generally accepted accounting principles, the more significant of which are outlined below.

City of Saint John

The Saint John Aquatic Center Commission was established by the City of Saint John to operate the Canada Games Aquatic Center. The City has the obligation under the Commission's Act of Incorporation to finance all net operating and capital expenditures. Any amount due to or from the City at the year-end results from the difference between regular monthly payments received from the City and net expenditures for the year.

Subsidy

Operating subsidies received from the City of Saint John are recognized as revenue when the operating expenses are incurred.

Inventory

Inventory is recorded at the lower of cost and replacement cost. Cost is defined as laid-down cost, determined on a first-in, first-out basis.

Fixed assets and depreciation

Fixed assets are initially recorded at cost. As these assets are financed by grants, no depreciation is recorded.

2. FIXED ASSETS

	1990 $	1989 $
Administrative	107,979	107,979
Maintenance	220,219	139,656
Program	104,066	104,066
Pedway	75,562	75,562
Facility improvements	85,957	85,957
	593,783	513,220

3. INCOME TAX

The Saint John Aquatic Center Commission qualifies as a Municipal Commission under Section 149(1)(d) of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

SAINT JOHN PARKING COMMISSION

1990 FINANCIAL STATEMENTS

SAINT JOHN PARKING COMMISSION

Financial Statements

For the Year Ended December 31, 1990

Coopers
&Lybrand

Coopers
&Lybrand

chartered accountants

PO Box 789 801 Brunswick House
Saint John New Brunswick
Canada E2L 4B9

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a member firm of
Coopers & Lybrand (International)

AUDITORS' REPORT

To the Members of Saint John Parking Commission

We have audited the balance sheet of Saint John Parking Commission as at December 31, 1990 and the statements of income and equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Coopers & Lybrand

Chartered Accountants
April 18, 1991

Resident Partners
L R Cosman
J D Craig
H R Tidby
R D Urquhart
P Wetshaw
L G Wetmen

Saint John Parking Commission

Balance Sheet
As at December 31, 1990

	1990 $	1989 $
ASSETS		
Current Assets		
Cash	1,925	2,245
Accounts receivable	8,934	6,796
Due from City of Saint John	1,476,346	1,374,297
Other receivable	39,770	53,775
	1,526,975	1,437,113
Property and Leasehold Improvements		
Land, off-street parking lots at cost	193,619	193,619
Parking garage - land and structure (note 3)	4,755,600	4,928,600
Leasehold improvements (note 4)	203,294	67,252
	5,152,513	5,189,471
	6,679,488	6,626,584
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	76,493	86,819
Parking permit deposits	4,978	3,917
Rents received in advance	4,069	2,581
Deferred income	4,257	4,023
Current portion of debenture debt	189,000	173,000
	278,797	270,340
Debenture Debt (note 5)	3,297,000	3,486,000
Equity	3,103,691	2,870,244
	6,679,488	6,626,584

APPROVED BY THE COMMISSION

Chairman

Coopers
&Lybrand

Saint John Parking Commission

Statement of Income and Equity
For the Year Ended December 31, 1990

	Budget 1990 $	Actual 1990 $	Actual 1989 $
Income			
Parking lot rentals	710,850	669,976	637,180
Chipman Hill rental	-	538,390	538,400
Chipman Hill parking garage (note 3)	-	6,946	12,944
	710,850	1,215,312	1,188,524
Expenses			
Direct			
Ground rent/leasing costs	95,940	93,084	94,140
Maintenance and repairs	34,000	29,181	26,819
Parking lot supervision	34,200	33,521	28,049
Parking lot attendants	105,000	99,667	102,092
Power	3,000	2,381	1,922
Real estate taxes	108,000	96,586	108,257
Snow removal	24,000	20,424	23,909
Amortization of leasehold improvements	75,600	115,636	42,675
Depreciation	-	173,000	158,000
	479,740	663,480	585,863
Administrative			
Advertising	12,000	14,474	12,100
Commission expenses	3,600	3,012	2,485
Office	15,000	11,933	15,048
Postage	3,600	4,699	4,025
Professional fees	6,000	10,682	3,820
Salaries	75,600	77,476	71,126
Telephone	6,000	3,640	4,461
Travel	5,200	3,873	2,421
Miscellaneous	5,660	4,455	3,074
Convention	6,200	5,403	4,663
Debenture interest	-	365,390	380,400
Parking study	-	-	108
Monitoring program	42,000	21,032	-
Site Feasibility Study	1,000	6,500	15,000
	181,860	532,569	518,731
	661,600	1,196,049	1,104,594
Income From Operations	49,250	19,263	83,930
Other Income			
Interest income	108,000	179,252	137,653
Administrative revenue	20,040	32,650	32,875
Miscellaneous	-	2,282	1,995
	128,040	214,184	172,523
Net Income For The Year	177,290	233,447	256,453
Equity - Beginning Of Year	2,870,244	2,870,244	2,613,791
Equity - End Of Year	3,047,534	3,103,691	2,870,244

Coopers &Lybrand

Saint John Parking Commission

Statement of Changes in Financial Position
For the Year Ended December 31, 1990

	1990 $	1989 $
Operating Activities		
Net income for the year	233,447	256,453
Items not affecting cash -		
Depreciation	173,000	158,000
Amortization	115,636	42,675
	522,083	457,128
Cash provided by (invested in) non-cash working capital:		
Accounts receivable	(2,138)	(3,639)
Due from City of Saint John	(102,049)	(251,340)
Other receivable	14,005	(22,680)
Accounts payable and accrued liabilities	(10,326)	8,585
Parking permit deposits	1,061	629
Rents received in advance	1,488	(5,310)
Deferred income	234	4,023
	424,358	187,396
Financing Activities		
Repayment of debenture debt	(173,000)	(158,000)
Investing Activities		
Purchase of leasehold improvements	(251,678)	(30,036)
Decrease in Cash During Year	(320)	(640)
Cash - Beginning of Year	2,245	2,885
Cash - End of Year	1,925	2,245

Coopers
&Lybrand

Saint John Parking Commission
Notes to Financial Statements
For the Year Ended December 31, 1990

1. General

The Commission is incorporated under an Act of the New Brunswick legislature and its principal activity is the administration and development of parking in the City of Saint John.

2. Summary of Significant Accounting Policies

Depreciation and Amortization

The Commission has adopted the policy of recording depreciation on the Parking Garage at an amount equal to the principal payment on long-term debt.

Leasehold improvements to leased parking lots are being amortized on a straight-line basis over three to five years depending upon the period of the leases.

3. Parking Garage - Land and Structure

	1990 $	1989 $
Land	1,250,000	1,250,000
Parking garage structure - at cost	4,114,600	4,114,600
Less: Accumulated depreciation	(609,000)	(436,000)
	3,505,600	3,678,600
	4,755,600	4,928,600

In 1977, Brunswick Square Ltd. conveyed land to the Commission on which the Chipman Hill Parking Garage is located subject to the condition that the land always be used for a parking structure. This land is recorded in the accounts of the Commission at an amount estimated to be its fair market value at the time of conveyance from Brunswick Square Ltd.

Effective December 1, 1987, the Commission, Brunswick Square Ltd. and the City of Saint John entered into an agreement whereby the Commission agreed to lease the Chipman Hill Parking Garage to Brunswick Square Ltd. for a period of fifteen years. In addition to paying rent equal to the Commission's interest and capital payments on its debenture debt, Brunswick Square Ltd. has agreed to pay to the Commission one-third of the operating profits of the Parking Garage to a maximum of $895,257. The Commission's share of operating profits for the year ended December 31, 1990 was $6,946 (1989 - $12,944).

Brunswick Square Ltd. has agreed to purchase the Parking Garage on December 1, 2001 at a price of $895,258 less any amounts paid to the Commission out of operating profits as noted above.

4. Leasehold Improvements

	1990 $	1989 $
Cost	475,135	223,457
Less: Accumulated amortization	271,841	156,205
	203,294	67,252

5. Debenture Debt

	1990 $	1989 $
New Brunswick Municipal Finance Corporation debenture ranging from 9 1/2% to 10 1/8% maturing 2001.	3,486,000	3,659,000
Less: Current portion	189,000	173,000
	3,297,000	3,486,000

The amount of principal payments required in each of the next five years is as follows:

	$
1991	189,000
1992	208,000
1993	228,000
1994	250,000
1995	275,000

6. Municipal Grant - City of Saint John

Under the terms of an agreement between the City of Saint John and the Saint John Parking Commission, the City has agreed to give the Commission an annual grant equal to the municipal portion of any property and business taxes levied on the Chipman Hill Parking Garage. Since 1979 the accumulated municipal portion of such taxes is $1,134,845.

SAINT JOHN NON PROFIT HOUSING INCORPORATED

1990 FINANCIAL STATEMENTS

SAINT JOHN NON PROFIT HOUSING INCORPORATED

Financial Statements

For the Year Ended December 31, 1990

Coopers & Lybrand

Coopers &Lybrand

chartered accountants

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Coopers & Lybrand (International)

AUDITORS' REPORT

To the Directors of Saint John Non Profit Housing Incorporated

We have audited the balance sheet of Saint John Non Profit Housing Incorporated as at December 31, 1990 and the statements of income, surplus, reserves and changes in financial position for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Saint John Non Profit Housing Incorporated as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Coopers & Lybrand

Chartered Accountants
May 6, 1991

Resident Partners
L R Cosman
J D Craig
H R Tidby
R D Urquhart
P Wishaw
L G Warren

Saint John Non Profit Housing Incorporated

Balance Sheet
As at December 31, 1990

	1990 $	1989 $
ASSETS		
Cash	414,076	115,794
Prepaid expenses	-	2,345
Accounts receivable	46,119	209,996
Interest receivable	-	3,978
	460,195	332,113
Restricted cash and deposits (note 2)	995,723	766,106
Land, buildings and fixtures (notes 3 and 4)	16,956,023	16,093,786
	18,411,941	17,192,005
LIABILITIES		
Accounts payable and accrued charges	411,565	354,802
Deferred revenue	47,906	-
Long-term debt (note 4)	17,179,478	16,302,326
	17,638,949	16,657,128
SURPLUS AND RESERVES		
Operating surplus (deficit)	9,388	(22,689)
Replacement reserve (note 2)	601,488	395,579
Subsidy surplus reserve (note 2)	133,928	138,191
Carpet replacement reserve (note 2)	28,188	23,796
	772,992	534,877
	18,411,941	17,192,005

SIGNED ON BEHALF OF THE BOARD

_____
Director

_____
Director

Coopers &Lybrand

Saint John Non Profit Housing Incorporated

Statement of Surplus
For the Year Ended December 31, 1990

	1990 $	1989 $
BALANCE - BEGINNING OF YEAR		
As originally stated	(22,689)	(7,869)
Adjustments Required by C.M.H.C. to funding from Subsidy Surplus Reserve - Rotary Admiral Beatty	13,734	-
- Bicentennial Court	448	-
	14,182	-
As restated	(8,507)	(7,869)
Income (loss) for the year prior to funding from Subsidy Surplus Reserve	11,295	(14,820)
	2,788	(22,689)
Funding from Subsidy Surplus	6,600	-
BALANCE - END OF YEAR	9,388	(22,689)

Coopers &Lybrand

Saint John Non Profit Housing Incorporated

Schedule of Income

For the Year Ended December 31, 1990

	1990 Budget $	1990 Actual $	1989 Actual $
Revenue			
Rentals	1,280,703	1,291,503	1,217,134
Washers and dryers	15,350	17,574	16,485
Interest	6,100	31,362	32,097
	1,302,153	1,340,439	1,265,716
Subsidy - C.M.H.C. (note 5)	1,026,464	1,005,098	1,155,667
- N.B.H.C. (note 5)	553,343	553,351	414,218
	2,881,960	2,898,888	2,835,601
Expenses			
Operating			
Electricity	100,432	93,257	85,365
Masonry	15,000	4,660	-
Repairs and maintenance	174,664	157,071	121,635
Snow removal	7,800	2,105	6,350
Telephone	18,500	17,969	17,667
Wages and benefits	121,532	99,749	99,039
Garbage removal	8,600	8,683	7,457
Water rates	35,400	32,285	28,318
	481,928	415,779	365,831
Administrative and general			
Administration fees	96,124	96,373	84,564
Professional fees	8,864	8,855	7,865
Depreciation	86,008	85,088	71,071
Insurance	13,768	18,238	13,848
Interest	1,806,490	1,813,069	1,841,536
Office expense	6,432	9,124	8,205
Property taxes	324,900	316,669	297,281
Development costs	-	-	(17,799)
	2,342,586	2,347,416	2,306,571
	2,824,514	2,763,195	2,672,402
Income Before Repayment of Excess Subsidy	57,446	135,693	163,199
Excess Subsidy Received From C.M.H.C. (note 5)	-	1,185	(28,509)
Excess Subsidy Received From N.B.H.C. (note 5)	-	(52,375)	(58,510)
	57,446	84,503	76,180
Allocation to Replacement Reserve (note 2)	73,540	73,208	91,000
INCOME (LOSS) FOR THE YEAR	(16,093)	11,295	(14,820)

Coopers &Lybrand

Saint John Non Profit Housing Incorporated
Statement of Changes in Financial Position
For the Year Ended December 31, 1990

	1990 $	1989 $
Operating Activities		
Provided from operations:		
Income (loss) for the year	11,295	(14,820)
Item not affecting cash -		
Depreciation	85,088	71,071
	96,383	56,251
Cash provided from (used in) non-cash operating items	274,869	(58,573)
Excess funds transferred to restricted cash	(23,579)	(53,491)
Transfer of subsidy surplus reserve funds	20,782	-
	368,455	(55,813)
Financing Activities		
Proceeds from issue of long-term debt -		
Queen St.	500,000	-
Turnbull Place	83,511	-
West Side Projects	-	901,640
Advances from (repayment to) City of Saint John		
Rodney Street	226,077	-
Main Street	167,450	-
Queen Street	(66,753)	66,753
Turnbull Place	51,751	-
Rotary Admiral Beatty	(18,410)	47,334
West Side Projects	-	(142,093)
Repayment of other long-term debt	(66,474)	(45,603)
	877,152	828,031
Investing Activities		
Purchase of fixed assets		
Queen Street	(409,663)	(66,753)
Rodney Street	(226,070)	-
Main Street	(172,958)	-
Turnbull Place	(136,742)	-
West Side Projects	(1,688)	(759,547)
Rotary Admiral Beatty	(204)	(72,801)
North End Projects	-	(57,149)
Decrease in mortgage funds temporarily invested	-	92,000
	(947,325)	(864,250)
Increase (decrease) in Cash	298,282	(92,032)
Cash - Beginning of Year	115,794	207,826
Cash - End of Year	414,076	115,794

Coopers &Lybrand

Saint John Non Profit Housing Incorporated

Statement of Reserves
For the Year Ended December 31, 1990

	1990										1989
	Rotary Admiral Beatty $	Bicentennial Court $	Harbourside $	South End Projects $	46 - 56 St. James Projects $	North End Projects $	West Side Projects $	Queen Street $	Turnbull Place $	Total $	Total $
Replacement Reserve (note 2)											
Balance - beginning of year	117,797	21,132	226,997	2,699	15,104	10,180	1,670	-	-	395,579	270,698
Less: Development costs	-	-	-	-	-	-	-	-	-	-	(17,799)
Add: Provision for the year	34,800	4,575	-	9,500	7,000	8,500	6,500	2,333	-	73,208	91,000
Transfer on acquisition of project	-	-	-	-	-	-	-	-	51,306	51,306	-
Interest income for the year	18,317	3,147	43,858	3,032	5,267	6,509	1,062	158	45	81,395	51,680
Balance - end of year	170,914	28,854	270,855	15,231	27,371	25,189	9,232	2,491	51,351	601,488	395,579
Excess funds received	-	-	109,574	21,012	24,463	53,491	-	23,579	-	232,119	208,540
Restricted cash	170,914	28,854	380,429	36,243	51,834	78,680	9,232	26,070	51,351	833,607	604,119
Subsidy Surplus Reserve (note 2)											
Balance - beginning of year	72,734	12,221	53,236	-	-	-	-	-	-	138,191	124,140
Add: Interest Earned	8,526	1,487	6,506	-	-	-	-	-	-	16,519	14,051
	81,260	13,708	59,742	-	-	-	-	-	-	154,710	138,191
Less: Funding of prior year's deficit	13,734	448	-	-	-	-	-	-	-	14,182	-
Funding of current year's deficit	-	6,600	-	-	-	-	-	-	-	6,600	-
Balance - End of Year	67,526	6,660	59,742	-	-	-	-	-	-	133,928	138,191
Carpet Replacement Reserve (note 2)											
Balance - beginning of year	-	-	23,796	-	-	-	-	-	-	23,796	32,967
Less: Purchases	-	-	-	-	-	-	-	-	-	-	(12,197)
Add: Interest income for the year	-	-	4,392	-	-	-	-	-	-	4,392	3,026
Balance - end of year	-	-	28,188	-	-	-	-	-	-	28,188	23,796

Coopers & Lybrand

Saint John Non Profit Housing Incorporated

Notes to Financial Statements
For the Year Ended December 31, 1990

1. Accounting Policies

Fixed assets and depreciation

Asset additions which are specifically identified as being part of the original project costs and are financed by long-term debt are capitalized. These assets are depreciated at amounts equal to the principal payments on the related long-term debt.

Other asset additions are charged to the appropriate replacement reserve fund to the extent that a reserve fund is available, excess additions are expensed in the year.

2. Restricted Cash and Deposits

Replacement reserve fund

The terms of an agreement with Canada Mortgage and Housing Corporation (C.M.H.C.) provide for transfers of $4,575 per year for Bicentennial Court (to a maximum of $45,750), $25,000 per year for Harbourside (to a maximum of $250,000), $34,800 per year for Rotary Admiral Beatty (to a maximum of $348,000) and $7,000 per year for 46-56 St. James Street (to a maximum of $70,000), and the terms of an agreement with New Brunswick Housing Corporation (N.B.H.C.) provide for the transfer of $9,500 per year for South End Projects (to a maximum of $95,000) and $8,500 per year for North End Projects (to a maximum of $85,000), $6,500 per year for West Side Projects (to a maximum of $65,000) and $4,000 per year for Queen Street (to a maximum of $40,000) to reserve funds for the future replacement of fixed assets. In accordance with options provided by C.M.H.C. and N.B.H.C. additional amounts of $109,574 in 1985 for Harbourside, $21,012 for South End Projects, $24,463 for 46-56 St. James Street in 1988, $53,491 in 1989 for North End Projects and $23,579 in 1990 for Queen Street have been transferred to the respective reserve funds. These special transfers represent amounts of mortgage financing received in excess of the capital cost of the projects and form part of the maximum transfers to the reserve funds. These funds, along with accumulated interest, must be held in a separate bank account and/or invested in government bonds or other such securities acceptable to C.M.H.C. and N.B.H.C. The funds in the account may only be used for the replacement of capital equipment.

	1990 $	1989 $
Rotary Admiral Beatty	170,914	117,797
Bicentennial Court	28,854	21,132
Harbourside	380,429	336,571
South End Projects	36,243	23,711
46-56 St. James Street	51,834	39,567
North End Projects	78,680	63,671
West Side Projects	9,232	1,670
Queen Street	26,070	-
Turnbull Court	51,351	-
Carried forward	833,607	604,119

2. Restricted Cash and Deposits (cont'd)

	1990 $	1989 $
Brought forward	833,607	604,119
Subsidy surplus fund		
Under the terms of the agreement with Canada Mortgage and Housing Corporation (C.M.H.C.), excess federal assistance payments received may be retained in a subsidy surplus fund up to a maximum of $500 per unit plus interest thereon. The reserve is to be comprised of monies deposited in a special bank account and/or invested in government bonds or other such securities acceptable to C.M.H.C. The funds in this account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum federal assistance. The interest earned in the fund is to accrue and be maintained in the fund. The agreement provides that up to 10% of any operating surplus, after accumulating the maximum subsidy surplus fund, may be transferred to other projects assisted under this program that are owned by the recipient and require additional assistance.		
Bicentennial Court	6,660	12,221
Rotary Admiral Beatty	67,526	72,734
Harbourside	59,742	53,236
Carpet replacement reserve fund	28,188	23,796
	995,723	766,106

3. Land, Buildings and fixtures

	1990 $	1989 $
Cost		
Rotary Admiral Beatty (net of donations of $350,000 from the Rotary Club and $167,706 from the City of Saint John)	6,248,838	6,248,634
Bicentennial Court	1,011,539	1,011,539
Harbourside	4,814,011	4,814,011
South End Projects	1,551,538	1,551,538
46-56 St. James Street	650,553	650,553
North End Projects	1,023,509	1,023,509
West Side Projects	922,096	920,408
Queen Street	476,416	66,753
Rodney Street	226,070	-
Turnbull Place	136,742	-
Main Street	172,958	-
	17,234,270	16,286,945
Accumulated Depreciation	278,247	193,159
	16,956,023	16,093,786

4. Long-term debt

	1990 $	1989 $
Metropolitan Trust Company of Canada, 11% mortgage payable in monthly instalments of $14,436 including interest, maturing December 1, 1992, amortized to December 1, 2022. This mortgage is secured by the assets of the South End Projects and a general assignment of rentals.	1,558,170	1,563,485
Morgaurd Investments Limited, 12 1/4% mortgage payable in monthly instalments of $9,954 including interest, maturing April 1, 1991, amortized to April 1, 2021. The interest rate is subsidized by Canada Mortgage and Housing Corporation to an effective rate of interest of 2%. This mortgage is secured by the assets of Bicentennial Court and a general assignment of rentals.	972,566	975,608
Canada Trust, 11 3/4% mortgage payable in monthly instalments of $57,231 including interest, maturing April 1, 1991, amortized to April 1, 2021. The interest rate on this amount is subsidized by Canada Mortgage and Housing Corporation to an effective rate of interest of 2%. The mortgage is secured by the Rotary Admiral Beatty complex.	5,776,541	5,799,223
Bank of Nova Scotia, 11.5% mortgage payable in monthly instalments of $6,448 including interest maturing February 1, 1993, amortized to February 1, 2024. This mortgage is secured by St. James complex, general assignment of rentals and a chattel mortgage on appliances.	669,888	671,885
CIBC Mortgage Corporation, 12% mortgage payable in monthly instalments of $10,691 including interest maturing January 1, 1994, amortized to January 1, 2024. This mortgage is secured by North End Projects.	1,072,190	1,074,741
Metropolitan Trust Company of Canada, 10.48% mortgage payable in monthly instalments of $8,599 including interest, maturing October 1, 1994, amortized to October 2024. This mortgage is secured by the assets of the West Side Project.	899,067	901,293
Carried forward	10,948,422	10,986,235

4. Long-term debt (con't)

	1990 $	1989 $
Brought forward	10,948,422	10,986,235
Royal Bank of Canada, 10.3% mortgage payable in monthly instalments of $43,250 including interest maturing August 1, 1994, amortized to August 2019. This mortgage is secured by the Harbourside complex.	4,856,724	4,884,350
Metropolitan Trust Company of Canada, 11.25% mortgage payable in monthly instalments of $4,683, including interest, maturing June 1, 1995. This mortgage is secured by the assets of the Queen Street Project.	499,269	-
CMHC, 5 3/8%, mortgage payable in monthly instalments of $684, including interest, maturing June, 2005. This mortgage is secured by the assets of Turnbull Place.	83,207	-
City of Saint John, 13% loan payable in monthly instalments of $3,734 including interest, maturing June 1, 1999.	229,815	246,003
City of Saint John, 13% note payable in monthly instalments of $1,224, including interest, maturing July 1, 1998.	70,578	72,800
The City of Saint John construction advances payable, plus interest at the City's current borrowing rate. Such advances are expected to be repaid as long term financing is arranged upon completion of each project.		
West Side Projects	18,768	18,768
Rodney Street	226,077	-
Turnbull Place	51,751	-
Main Street Project	167,450	-
Bicentennial Court Project	27,417	27,417
Queen Street	-	66,753
	17,179,478	16,302,326

4. Long-term debt (con't)

Estimated principal repayments over each of the next five years are as follows:

	$
1991	100,096
1992	111,818
1993	124,914
1994	139,354
1995	155,479

5. Subsidy

Should the subsidy assistance paid in any fiscal year exceed or be less than the actual subsidy assistance required the amount of the subsidy assistance is adjusted accordingly.

REPORT TO COMMON COUNCIL

City of Saint John

May 16, 1991

M & C 91-386

Your Worship & Councillors:

Subj: Saint John Parking Commission
1990 Audited Financial Statements

Attached please find the 1990 audited financial statements of Saint John Parking Commission. These statements were reviewed and approved by the Company's Board of Directors on Thursday, May 16 1991.

The operations of the Commission will be more fully explained in their annual report which will be provided to Council at a later date. The purpose of submitting these statements at this time is to advise Council that indeed the audit has been completed and an unqualified opinion has been provided by Coopers & Lybrand.

Recommendation

The 1990 audited financial statements of Saint John Parking Commission be received and filed.

Respectfully submitted,

T. L. Totten, C. A.
Acting Commissioner of Finance

D. C. Wilson, C. A.
Acting City Manager

SAINT JOHN PARKING COMMISSION

Financial Statements

For the Year Ended December 31, 1990

Coopers
&Lybrand

Coopers
&Lybrand

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Canada E2L 4B9

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Coopers & Lybrand (International)

AUDITORS' REPORT

To the Members of Saint John Parking Commission

We have audited the balance sheet of Saint John Parking Commission as at December 31, 1990 and the statements of income and equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Coopers & Lybrand

Chartered Accountants
April 18, 1991

Resident Partners
L R Cosman
J D Craig
H R Tidby
R D Urquhart
P Wathen
L G Warren

Saint John Parking Commission

Balance Sheet
As at December 31, 1990

	1990 $	1989 $
ASSETS		
Current Assets		
Cash	1,925	2,245
Accounts receivable	8,934	6,796
Due from City of Saint John	1,476,346	1,374,297
Other receivable	39,770	53,775
	1,526,975	1,437,113
Property and Leasehold Improvements		
Land, off-street parking lots at cost	193,619	193,619
Parking garage - land and structure (note 3)	4,755,600	4,928,600
Leasehold improvements (note 4)	203,294	67,252
	5,152,513	5,189,471
	6,679,488	6,626,584
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	76,493	86,819
Parking permit deposits	4,978	3,917
Rents received in advance	4,069	2,581
Deferred income	4,257	4,023
Current portion of debenture debt	189,000	173,000
	278,797	270,340
Debenture Debt (note 5)	3,297,000	3,486,000
Equity	3,103,691	2,870,244
	6,679,488	6,626,584

APPROVED BY THE COMMISSION

_____

Chairman

Coopers
&Lybrand

Saint John Parking Commission

Statement of Income and Equity
For the Year Ended December 31, 1990

	Budget 1990 $	Actual 1990 $	Actual 1989 $
Income			
Parking lot rentals	710,850	669,976	637,180
Chipman Hill rental	-	538,390	538,400
Chipman Hill parking garage (note 3)	-	6,946	12,944
	710,850	1,215,312	1,188,524
Expenses			
Direct			
Ground rent/leasing costs	95,940	93,084	94,140
Maintenance and repairs	34,000	29,181	26,819
Parking lot supervision	34,200	33,521	28,049
Parking lot attendants	105,000	99,667	102,092
Power	3,000	2,381	1,922
Real estate taxes	108,000	96,586	108,257
Snow removal	24,000	20,424	23,909
Amortization of leasehold improvements	75,600	115,636	42,675
Depreciation	-	173,000	158,000
	479,740	663,480	585,863
Administrative			
Advertising	12,000	14,474	12,100
Commission expenses	3,600	3,012	2,485
Office	15,000	11,933	15,048
Postage	3,600	4,699	4,025
Professional fees	6,000	10,682	3,820
Salaries	75,600	77,476	71,126
Telephone	6,000	3,640	4,461
Travel	5,200	3,873	2,421
Miscellaneous	5,660	4,455	3,074
Convention	6,200	5,403	4,663
Debenture interest	-	365,390	380,400
Parking study	-	-	108
Monitoring program	42,000	21,032	-
Site Feasibility Study	1,000	6,500	15,000
	181,860	532,569	518,731
	661,600	1,196,049	1,104,594
Income From Operations	49,250	19,263	83,930
Other Income			
Interest income	108,000	179,252	137,653
Administrative revenue	20,040	32,650	32,875
Miscellaneous	-	2,282	1,995
	128,040	214,184	172,523
Net Income For The Year	177,290	233,447	256,453
Equity - Beginning Of Year	2,870,244	2,870,244	2,613,791
Equity - End Of Year	3,047,534	3,103,691	2,870,244

Coopers & Lybrand

Saint John Parking Commission
Statement of Changes in Financial Position
For the Year Ended December 31, 1990

	1990 $	1989 $
Operating Activities		
Net income for the year	233,447	256,453
Items not affecting cash -		
Depreciation	173,000	158,000
Amortization	115,636	42,675
	522,083	457,128
Cash provided by (invested in) non-cash working capital:		
Accounts receivable	(2,138)	(3,639)
Due from City of Saint John	(102,049)	(251,340)
Other receivable	14,005	(22,680)
Accounts payable and accrued liabilities	(10,326)	8,585
Parking permit deposits	1,061	629
Rents received in advance	1,488	(5,310)
Deferred income	234	4,023
	424,358	187,396
Financing Activities		
Repayment of debenture debt	(173,000)	(158,000)
Investing Activities		
Purchase of leasehold improvements	(251,678)	(30,036)
Decrease in Cash During Year	(320)	(640)
Cash - Beginning of Year	2,245	2,885
Cash - End of Year	1,925	2,245

Coopers &Lybrand

Saint John Parking Commission

Notes to Financial Statements
For the Year Ended December 31, 1990

1. General

The Commission is incorporated under an Act of the New Brunswick legislature and its principal activity is the administration and development of parking in the City of Saint John.

2. Summary of Significant Accounting Policies

Depreciation and Amortization

The Commission has adopted the policy of recording depreciation on the Parking Garage at an amount equal to the principal payment on long-term debt.

Leasehold improvements to leased parking lots are being amortized on a straight-line basis over three to five years depending upon the period of the leases.

3. Parking Garage - Land and Structure

	1990 $	1989 $
Land	1,250,000	1,250,000
Parking garage structure - at cost	4,114,600	4,114,600
Less: Accumulated depreciation	(609,000)	(436,000)
	3,505,600	3,678,600
	4,755,600	4,928,600

In 1977, Brunswick Square Ltd. conveyed land to the Commission on which the Chipman Hill Parking Garage is located subject to the condition that the land always be used for a parking structure. This land is recorded in the accounts of the Commission at an amount estimated to be its fair market value at the time of conveyance from Brunswick Square Ltd.

Effective December 1, 1987, the Commission, Brunswick Square Ltd. and the City of Saint John entered into an agreement whereby the Commission agreed to lease the Chipman Hill Parking Garage to Brunswick Square Ltd. for a period of fifteen years. In addition to paying rent equal to the Commission's interest and capital payments on its debenture debt, Brunswick Square Ltd. has agreed to pay to the Commission one-third of the operating profits of the Parking Garage to a maximum of $895,257. The Commission's share of operating profits for the year ended December 31, 1990 was $6,946 (1989 - $12,944).

Brunswick Square Ltd. has agreed to purchase the Parking Garage on December 1, 2001 at a price of $895,258 less any amounts paid to the Commission out of operating profits as noted above.

4. Leasehold Improvements

	1990 $	1989 $
Cost	475,135	223,457
Less: Accumulated amortization	271,841	156,205
	203,294	67,252

5. Debenture Debt

	1990 $	1989 $
New Brunswick Municipal Finance Corporation debenture ranging from 9 1/2% to 10 1/8% maturing 2001.	3,486,000	3,659,000
Less: Current portion	189,000	173,000
	3,297,000	3,486,000

The amount of principal payments required in each of the next five years is as follows:

	$
1991	189,000
1992	208,000
1993	228,000
1994	250,000
1995	275,000

6. Municipal Grant - City of Saint John

Under the terms of an agreement between the City of Saint John and the Saint John Parking Commission, the City has agreed to give the Commission an annual grant equal to the municipal portion of any property and business taxes levied on the Chipman Hill Parking Garage. Since 1979 the accumulated municipal portion of such taxes is $1,134,845.

THE MARKET SQUARE CORPORATION

1990 FINANCIAL STATEMENTS

The City of Saint John
Saint John Trade and Convention Centre
Financial Statement
December 31, 1990

Doane Raymond

Chartered Accountants

Associate firm of
Grant Thornton

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Doane Raymond

Chartered Accountants

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New Brunswick
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Fax: (506) 634-4569

Auditors' Report

To Her Worship the Mayor and
Members of Common Council of
The City of Saint John

We have audited the statement of income and expenses of The City of Saint John - Saint John Trade and Convention Centre for the year ended December 31, 1990. This financial statement is the responsibility of the Centre's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, this financial statement presents fairly, in all material respects, the results of the operations of the Saint John Trade and Convention Centre for the year ended December 31, 1990 in accordance with the management agreement dated June 1, 1984 referred to in Note 2 of this financial statement.

Doane Raymond

Saint John, New Brunswick
March 5, 1991

Chartered Accountants

A member firm of Grant Thornton International

The City of Saint John
Saint John Trade and Convention Centre
Statement of Income and Expenses
Year Ended December 31, 1990

	1990 Budget	1990 Actual	1989 Actual
Revenue (Note 1)			
Room Rental	$118,700	$119,046	$126,373
Commissions on food and beverage sales and sundry revenue	108,987	112,693	121,978
	227,687	231,739	248,351
Direct expenses			
Wages and benefits	208,350	202,836	215,091
Operating equipment and uniforms	37,464	45,185	35,861
Supplies	25,200	25,681	28,255
Laundry	5,136	3,899	4,620
Music and decorations	4,800	5,892	6,441
Security	1,200	915	
	282,150	284,408	290,268
	(54,463)	(52,669)	(41,917)
Overhead expenses			
Salaries and benefits	148,646	189,096	143,179
Advertising and promotion	24,300	4,270	11,856
Cleaning and maintenance	30,396	43,424	28,875
Equipment rental	25,200	17,086	26,078
Regional sales office			254
Postage, printing and stationery	13,812	7,767	13,446
Telecommunication	7,500	10,223	7,340
Insurance	3,600	2,486	2,694
Miscellaneous	3,900	2,998	3,726
Legal and audit	7,200	8,292	6,951
Light, heat and power	2,400	3,560	2,364
Travel	7,200	13,764	7,327
Employee training	4,200	4,964	3,846
Licenses	2,040	2,039	1,889
Transportation	1,200	1,219	991
Entertainment	4,200	6,344	7,757
Bad debt	2,400	400	
Executive	600	250	
Water heating charges		4,712	
Outside services	1,428	1,428	1,398
Warehouse and truck rental	3,180	1,724	5,199
Dues and subscriptions	720	457	580
Bank charges	60	20	27
	294,182	326,523	275,777
Operating deficit for the year	$348,645	$379,192	$317,694

1. Revenue

Under the terms of the management agreement dated June 1, 1984, Hilton Canada Inc. pays to the Centre a percentage of gross revenue for food and beverage with cost of sales being the responsibility of Hilton Canada Inc.

The Centre is responsible for all other operating costs.

2. Saint John Trade and Convention Centre

The Saint John Trade and Convention Centre is owned by The City of Saint John and operated by Hilton Canada Inc. under a management agreement dated June 1, 1984 which has a twenty year term with a renewal option for an additional thirty years. According to the terms of this agreement, the City is responsible for the operating loss of the Centre. In addition to the operating loss under this agreement, The City of Saint John incurs common area costs and management fees which are reflected in the General Operating Fund of the City.

3. Recording of Assets and Liabilities

The City's investment in the structure and related equipment, furnishings and fixtures is reported on the Capital and Loan Fund Balance Sheet of The City of Saint John.

	1990	1989
4. Due from The City of Saint John		
Working capital advanced by The City of Saint John		
Current year	$365,000	$300,000
Prior year's balance	(9,268)	8,426
	355,732	308,426
Less: Operating deficit for the year	(379,192)	(317,694)
Due from The City of Saint John	$ 23,460	$ 9,268
The amount due from The City of Saint John is represented by:		
Accounts receivable	$ 21,688	$ 1,335
Prepaid expenses	644	923
	22,332	2,258
Less: Accounts payable, net of bank balance	45,792	11,526
	$ 23,460	$ 9,268

SAINT JOHN INDUSTRIAL PARKS

1990 FINANCIAL STATEMENTS

Saint John Industrial Parks Ltd.

Financial Statements

December 31, 1990

Doane Raymond

Chartered Accountants

A member firm of Grant Thornton

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Doane Raymond

Chartered Accountants

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Auditors' Report

To the Shareholders of
Saint John Industrial Parks Ltd.

We have audited the balance sheet of Saint John Industrial Parks Ltd. as at December 31, 1990 and the statements of income and retained earnings and changes in financial position for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Saint John, New Brunswick
September 10, 1991

Doane Raymond
Chartered Accountants

A member firm of Grant Thornton International

Saint John Industrial Parks Ltd.
Balance Sheet

December 31, 1990	1990	1989
Assets		
Current		
Cash	$ 2,948	$ 5,129
Term deposit	70,000	60,000
Interest receivable	5,428	4,508
	$78,376	$69,637
Liabilities		
Current		
Accounts payable and accrued charges	$ 450	$ 4,020
Deposits on lots (Note 1)	1,000	
	1,450	4,020
Shareholders' Equity		
Capital stock		
Authorized and issued		
1,000 common shares with par value of $1 each	1,000	1,000
Retained earnings	75,926	64,617
	76,926	65,617
	$78,376	$69,637

On Behalf of the Board

_____ Director _____ Director

Saint John Industrial Parks Ltd.
Statement of Income and Retained Earnings
Year Ended December 31, 1990

	1990	1989
Income		
Interest	$ 8,321	$ 7,010
Expenses		
Grants (Note 2)	(3,525)	6,175
Legal and audit	305	395
Miscellaneous	232	187
	(2,988)	6,757
Net income	$11,309	$ 253
Retained earnings, beginning of year	$64,617	$64,364
Net income	11,309	253
Retained earnings, end of year	$75,926	$64,617

Saint John Industrial Parks Ltd.
Statement of Changes in Financial Position
Year Ended December 31, 1990

	1990	1989
Cash provided from (used for)		
Operations		
Net income	$11,309	$ 253
Changes in		
Interest receivable	(920)	(1,045)
Accounts payable and accrued charges	(3,570)	775
Deposits on lots	1,000	
Cash provided (used)	7,819	(17)
Cash and term deposit		
Beginning of year	65,129	65,146
End of year	$72,948	$65,129

1. Deposits on lots

Under an agreement with the Province of New Brunswick, the City of Saint John has agreed to assist in the management of certain industrial parks in the City and seek buyers for lots in these parks. The City of Saint John has appointed the company to carry out its obligations under this agreement.

2. Grants

The company had agreed to transfer annual interest earnings to the Saint John Fundy Region Development Commission for a maintenance program of all industrial parks in the City of Saint John. This agreement was terminated during the year, with the result that the amount accrued at December 31, 1989 was not paid.

THE CITY OF SAINT JOHN

PENSION FUND

1990 FINANCIAL STATEMENTS

The City of Saint John
Pension Fund
Financial Statements
December 31, 1990

Doane Raymond

Chartered Accountants

Member firm of Grant Thornton International

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Auditors' Report

To the Board of Trustees
The City of Saint John - Pension Fund

We have audited the statement of net assets available for benefits of The City of Saint John - Pension Fund as at December 31, 1990, and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the assets under the control of the Trustees of the Fund as at December 31, 1990, and the changes in its net assets available for benefits for the year then ended in accordance with generally accepted accounting principles.

Saint John, New Brunswick
February 4, 1991

Doane Raymond
Chartered Accountants

A member firm of
Grant Thornton International

The City of Saint John - Pension Fund
Statement of Net Assets Available for Benefits

December 31, 1990	1990	1989
Cash and short term investments	$ 8,130,008	$ 10,861,179
Due from (to) The City of Saint John	184,018	(345,894)
Accrued interest and dividends	1,602,555	1,248,326
Investments, at market		
Bonds (cost 1990 - $43,642,991; 1989 - $41,684,414)	43,261,988	41,756,658
Stocks (cost 1990 - $42,061,503; 1989 - $34,886,642)	48,913,159	48,596,942
Mortgages	79,950	101,549
	$102,171,678	$102,218,760

On behalf of the Board

_____ Trustee

_____ Trustee

The City of Saint John - Pension Fund
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 1990

	1990	1989
Increase		
Contributions		
The City of Saint John	$ 2,522,298	$ 2,302,089
Employees	3,136,348	2,874,050
	5,658,646	5,176,139
Interest and dividend income	7,502,551	6,853,085
Gain on sale of investments	71,324	861,022
Current period change in market values of investments	(7,290,430)	7,022,042
	5,942,091	19,912,288
Decrease		
Pensions paid	5,525,185	5,247,318
Contributions and interest refunded to participants	154,514	227,147
Administrative expenses (Page 6)	309,474	282,221
	5,989,173	5,756,686
Net increase (decrease) in net assets available for benefits	$ (47,082)	$ 14,155,602
Net assets available for benefits, beginning of year	$102,218,760	$ 88,063,158
Net increase (decrease) in net assets available for benefits	(47,082)	14,155,602
Net assets available for benefits, end of year	$102,171,678	$102,218,760

1. Summary of significant accounting policies

Basis of presentation
These financial statements show only the position of the assets under the control of the Trustees, and do not purport to show the adequacy of the Fund to meet the obligations of the Pension Plan.

Basis of accounting
The accounts of the Fund are maintained on the accrual basis of accounting. Accordingly, dividend and interest income is accounted for as earned rather than when received.

Basis of valuation of investment assets
During the year, the method of valuation of the investment assets was changed from the cost method to the market value method. Under this method, investment assets are carried at market value and the current period change in the market value of investment assets is included on the statement of changes in net assets available for benefits. The prior years figures have been restated to reflect this new policy resulting in an increase in net assets available for benefits of $6,760,502 as at January 1, 1989.

2. Plan summary

The Pension Fund is the accumulation of assets used to fund pensions under the Saint John City Pension Act, 1970. The Act is administered by a Board of Trustees representing Common Council, management, unionized employees, non-unionized employees and retired employees.

The Plan provides for pensions on the defined benefit basis, as well as providing disability allowances for those members who become disabled. Employees terminating without a pension or disability allowance receive a refund of their contributions plus interest at 6%.

The Plan is funded by employee contributions of 8 1/2% of annual salary and employer contributions of 6% of annual salary plus 1 1/2% of any annual salary in excess of maximum pensionable earnings for Canada Pension Plan purposes. In addition, the City pays $135,000 annually into the Fund until 1997.

The assets of the Plan are held by the Royal Trust Corproation of Canada which acts as custodian of the Plan. The assets of the Plan are managed by Jarislowsky, Fraser & Company Ltd. who have discretionary investment authority. The performance of the Fund relative to others is measured on a regular basis by SEI Limited.

3. Actuarial valuation

Eastern Canada Consulting Services Ltd. conducted an actuarial valuation of the Fund as of December 31, 1986. The valuation indicated that the present value of accumulated plan benefits was $125,249,000 and the net assets available to provide benefits, at adjusted market values, were $118,229,000 as of December 31, 1986. The actuary recommended that the resulting unfunded liability of $7,020,000 be liquidated by annual payments of not less than $764,000 over a period not to exceed fifteen years.

The significant actuarial assumptions adopted for purposes of the report were as follows:

a) A long term real rate of investment return (i.e. the difference between the actual rate of return and inflation) of 3.5% per annum.

b) A differential of 1.5% between long term investment rates of return and the future rate of salary increases.

c) 6% increase in yearly maximum pensionable earnings.

d) Assumed retirement age of 60 years.

e) Assets adjusted to market values as follows:

   1) Fixed income assets at market value
   2) Common stocks on the basis of market value less a reserve against future fluctuations equivalent to 20% of the excess of market value over book value.

The valuation method adopted was the "projected benefit method" under which the liabilities include those in respect of benefits for service already rendered, as well as those for future services expected to be rendered by present members of the plan. Similarly, assets include those presently held, as well as the present value of future normal employee and employer contributions.

Eastern Canada Consulting Services Ltd. conducted an intervaluation estimate as of December 31, 1987. The intervaluation indicated that the unfunded liability at December 31, 1987 was $11,387,000. The increase from the estimate as of December 31, 1986 is due to the following factors:

Investment return being less than anticipated
Increase in disability retirements
Interest on unfunded amount as at December 31, 1986

As required under the City of Saint John Pension Act, an actuarial valuation will be carried out as of December 31, 1991.

The City of Saint John - Pension Fund
Schedule of Administrative Expenses
December 31, 1990

	1990	1989
Investment management fees	$168,742	$158,513
Custodian fees	47,695	38,750
Actuarial and consulting services	14,497	7,345
Performance measurement services	5,900	5,475
Legal fees	35,743	28,886
Audit fees	7,675	7,975
Conference and seminar expenses	24,546	31,916
Medical fees	3,270	2,800
Miscellaneous	1,406	561
	$309,474	$282,221